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U.S. Will Fly B-52 Raids From Base in Britain

By Craig R. Whitney
New York Times Service

LONDON — U.S. long-range B-52 bombers will be used to bomb Iraqi targets from a base in Britain, 2,750 miles away, Defense Secretary Tom King announced Thursday.

The operation recalled long-distance B-52 missions against North Vietnamese targets from Guam two decades ago over about the same distance, which is equal to 4,475 kilometers.

Mr. King told the House of Commons on Thursday that the operation would involve the U.S. reactivation of a base at Fairford, in Gloucestershire.

The number of the giant bombers that would be flying from there, when they would start and what route they would take from Britain to Iraq were questions that both British and U.S. officials here said they were unable to answer.

Prime Minister John Major's decision to allow the B-52s to operate from Britain was also reminiscent of the agreement by his predecessor, Margaret Thatcher, to permit U.S. FB-111 planes based in Britain to attack targets in Libya in 1986. Those raids were in retaliation for a terrorist bombing in Berlin.

The FB-111s had to fly a circuitous route over the Atlantic, around France and Spain, both of which wanted to avoid involvement in the operation and refused overflight rights.

[The U.S. Embassy in London declined to say if the United States had obtained permission for the bombers to fly over other European countries to reach Iraq, The Associated Press reported.

[But diplomatic sources said that negotiations were still going on and suggested that France was delaying a decision.

[In Paris, a well-placed French official told The Washington Post that if overflights became necessary, they would pose no problem in France.]

The B-52s can hold up to 84 conventional bombs of 500 pounds (225 kilograms) each. The B-52s, from bases in the Gulf and Diego Garcia in the Indian Ocean, have been pounding Iraqi troop concentrations and supply lines for the past two weeks.

Mr. King told the House of Commons, "So vast is the Iraqi military capacity that it is likely to be some time yet before it will be sufficiently reduced to proceed with the liberation of Kuwait."

Mr. King explained the U.S. request to base B-52s in Britain by saying that "it was necessary to increase the capacity," but he did not say how many planes would be based at Fairford, which is not now being used by the Royal Air Force, British officials said.

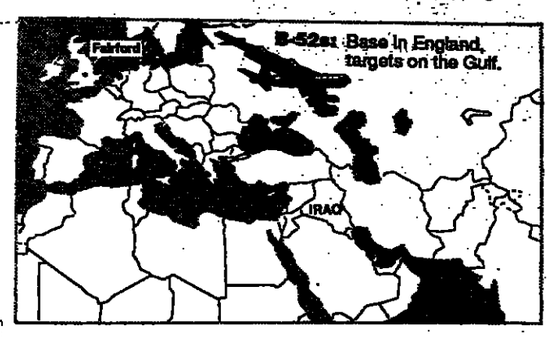
A spokesman for the U.S. 3d Air Force said that until last summer, the base had been home to a unit of U.S. KC-135 tanker aircraft of the type that would be used to refuel B-52s on the way to and from Iraq. Earlier, Fairford was used by the U.S. Strategic Air Command as one of four British bases for B-47 bombers.

The U.S. spokesman said that the tankers were moved to the 3d Air Force headquarters at Mildenhall for budgetary reasons. He said now there were only 50 air force personnel at Fairford, whom he described as "medical personnel deployed to operate air force contingency hospitals."

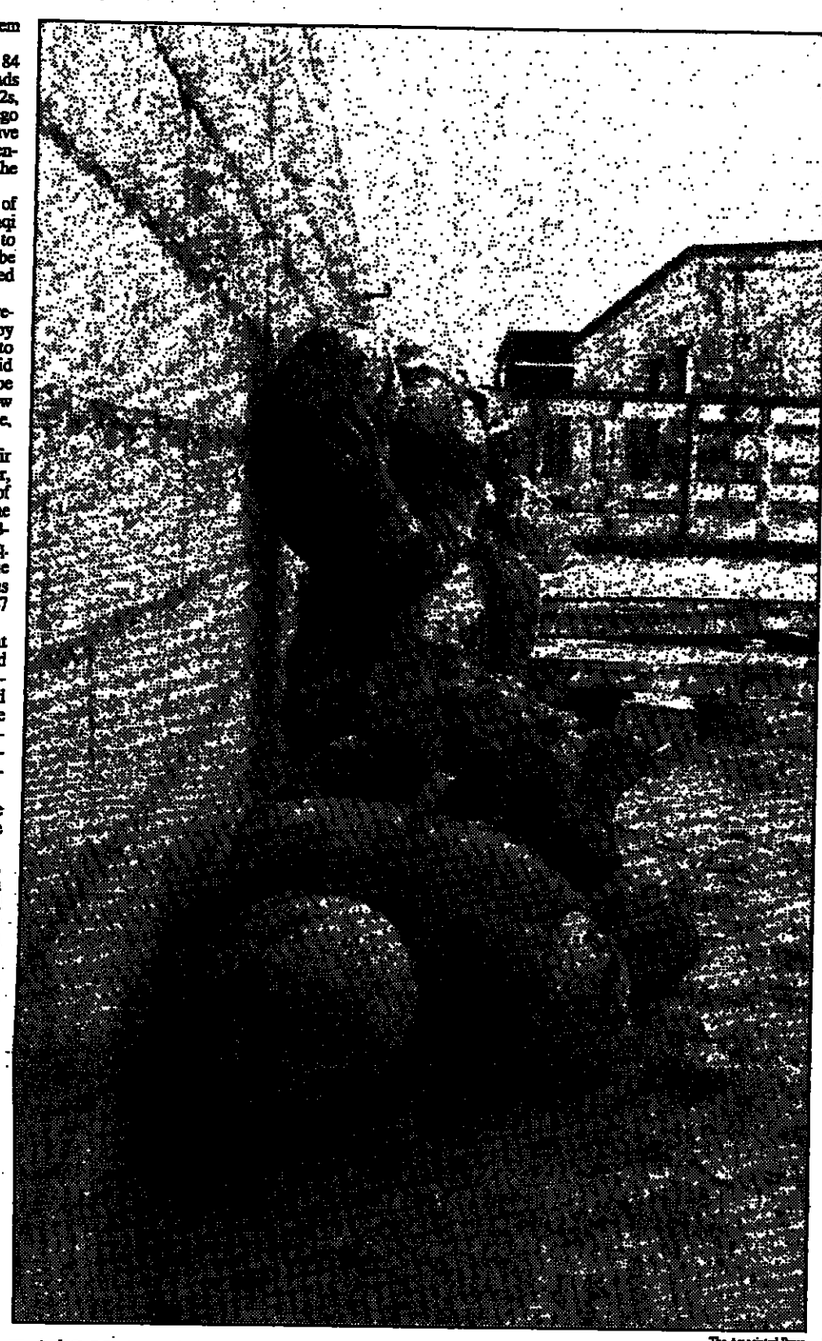
About 700 personnel would be expected to support the B-52s, he said.

Mr. King's announcement said, "We have received a request from the U.S. government for a limited number of B-52s to be temporarily based in Britain at RAF Fairford to undertake missions with conventional munitions against Iraqi military or strategic targets which are

See BOMBERS, Page 4



Allies Say Iraq Is Massing Its Forces Near Saudi Border After Losing Town



Two U.S. Marines taking cover during an Iraqi artillery attack in Khafji, Saudi Arabia, on Thursday. The Associated Press

Compiled by Our Staff From Dispatches

U.S. airmen reported a heavy buildup of Iraqi troops and armor heading south toward the Saudi Arabian border Thursday night after Saudi troops backed by U.S. Marines threw back an Iraqi probe at the abandoned coastal town of Khafji.

U.S. Marines taking part in the fighting around Khafji said they had been told that 60,000 Iraqi troops, several divisions, were massing near Al Wafra, just north of the border in Kuwait.

A four-engine U.S. C-130 aircraft was reported lost behind Iraqi lines, a larger aircraft carrying a bigger crew than any of the 19 allied aircraft previously listed as downed by enemy action.

The commander of a U.S. Marine squadron of Harrier AV-8B jump-jets said his pilots counted 800 to 1,000 Iraqi military vehicles moving through southern Kuwait toward the border.

The commander, Lieutenant Colonel Dick White, said that the vehicles were "moving now in columns, in small groups, in convoys."

"There is no sign of the Iraqis retreating," he said. "Vehicles are still heading south."

A correspondent with Britain's 4th Armored Brigade, Simon Clifford, said that a column of Iraqi armor stretched for 17 kilometers (10 miles) and that "sounds of battle drift across the sands."

He said U.S. B-52 bombers passed overhead all morning Thursday, and quoted intelligence sources as saying that more than 100 tanks were destroyed across a long front stretching from Khafji along the Kuwaiti-Saudi border.

Mr. Clifford said explosions could be heard as U.S. A-10 tank-hunting aircraft and Apache helicopters took on the Iraqi forces.

Allied commanders until now have spoken only of four Iraqi probing attacks in troop amounts of less than a battalion, including the attack on Khafji.

Allied commanders said they were not looking for a ground war, but would welcome an Iraqi attack if it came. Air Chief Marshal Patrick Hine of Britain said that an attack would expose Iraqi armor to destruction from the air.

Lieutenant General Thomas W. Kelly, director of operations for the Joint Chiefs of Staff, said in Washington that an Iraqi attack would prove advantageous for the allies.

"If they mounted an effective thrust to the south what they would do would be to come out of fortification where we have difficulty rooting them out," General Kelly said. "They would leave much of their air defense, such as it is, and come into an area where we could optimize our air force. I think they would be sorry they did that."

Baghdad radio said President Saddam Hussein went to the southern front, from where he supervised the attack on Khafji. Iraqi troops held the abandoned town for about 30 hours.

A U.S. brigadier general, Pat M. Stevens 4th, said the allied forces took 160 prisoners, while Saudi spokesmen reported heavy Iraqi casualties and loss of tanks and other vehicles.

Iraqi media claimed the battle was a great victory and a turning point in the war; the newspaper Ath Thawra said it was "the beginning of a thunderous storm blowing on the Arab desert."

But General H. Norman Schwarzkopf, the allied commander, dismissed it as militarily ineffective and "about as significant as a mosquito on an elephant."

General Stevens said at a briefing in Riyadh that Iraq had moved second echelon troops forward for the incursions into Saudi territory.

General Schwarzkopf said that the second-echelon troops, immediately behind the front lines, had not been targeted in allied bombing raids. He did not explain why.

Air attacks in Kuwait have concentrated on the Republican Guard, Mr. Hussein's elite fighting units, while U.S. Marines and other allied ground forces have sporadically attacked front-line enemy positions with artillery fire.

General Kelly said the allied air war had moved into a stage of "battlefield operations" in which aircraft are "looking for targets of opportunity and attacking them." He said these tactics were "particularly effective when the enemy comes out of prepared defenses."

Colonel White did not give the exact positions of the 800 to 1,000 vehicles his pilots spotted, which were said to be heading southward under a clear full moon.

He said the Iraqi move was "a golden opportunity" to hit targets that had been dug in since the outbreak of the Gulf war two weeks ago.

There were now almost too many targets to choose from, he said.

"It's almost like you flipped on the light in the kitchen at night and the cockroaches start scurrying, and we're killing them," he said.

"It's exactly what we've been looking for."

Military officials in Washington declined to say whether the lost C-130 aircraft went down over Kuwait or Iraq or to describe what kind of mission it was on.

CBS News reported that the aircraft had been on a special mission with up to 20 servicemen aboard.

Officials said they were checking an unconfirmed report that the downed plane was an EC-130, an air force plane that can be used for battlefield command and control, jamming enemy communications or broadcasting propaganda.

Reports that the plane might have been an EC-130 originated when the family of a crewman aboard such an aircraft was informed that he was missing. But Pete Williams, the Pentagon spokesman, said that aircraft losses were no longer being announced immediately to help search-and-rescue missions to reach downed airmen before the Iraqis do.

The Pentagon revised the number of U.S. Marines killed in the

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War in the Gulf

A Scud fired at Israel fell on the West Bank instead. Page 4.
For Washington and Moscow, old-time horse-trading. Page 4.
Saddam Hussein's great efforts to protect his life. Page 3.

War From the Air: Slow Process, Slowly Assessed

By Michael R. Gordon
New York Times Service

NEWS ANALYSIS

WASHINGTON — Although the commander of U.S. forces in the Gulf has presented a picture of a devastatingly effective allied air war against Iraq, the kind of destruction he described is a slow process, and the extent of its success in incapacitating Iraqi ground forces may not be known for weeks.

By pounding Iraqi aircraft shelters, knocking out radars, striking command and communications links, blowing up ammunition dumps and destroying bridges, the United States and its allies have taken an important first step toward weakening and command system to translate into an army that is largely unwilling to fight or incapable of inflicting heavy damage on allied ground forces.

The commander, General H. Norman Schwarzkopf, said it himself, after providing a glowing picture of the American air campaign.

"Now, there's no way that I'm suggesting that the Iraqi Army is close to capitulation and going to give up," he said. "I think their actions last night have proven that to all of us." He was referring to Iraqi ground incursions late Tuesday into northern Saudi Arabia.

From virtually the beginning, it has been clear to military officials that the air campaign would take time to exact its toll on Iraqi ground forces, despite the initial boasts by the Pentagon that its early raids were carried out with great effectiveness.

A senior Pentagon official said President George Bush was informed before the war that the air force hoped to destroy 50

See STRATEGY, Page 4

Iraq May Detain Female POW

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — One or more female American soldiers may now be in the hands of Iraqi forces or under threat of capture, according to sketchy and conflicting reports Thursday from the Gulf.

The development, if confirmed, is likely to add a new dimension of concern in American public opinion of the war against Iraq.

The U.S. Central Command in Riyadh said Thursday that a woman on a transport mission in northern Saudi Arabia was believed missing, along with a male soldier.

But a report on Baghdad radio said that "a number of male and female U.S. conscripts" were prisoners as a result of fighting in the Saudi border town of Khafji, near Kuwait.

Lieutenant General Thomas W. Kelly, director of operations for the Joint Chiefs of Staff, said at the Pentagon that the two U.S. soldiers were "missing in combat" and that a search-and-rescue operation was under way.

General Kelly acknowledged that women who are members of service support units "often find themselves up near the front" and in potential danger. "It is one of the things we and the nation have elected to do," he said.

A U.S. military spokesman, Brigadier General Pat M. Stevens 4th, said that, according to a preliminary report, two U.S. members of a transportation battalion disappeared at an undisclosed location near Tapline Road, which runs along the trans-Arabian pipeline near the Saudi-Iraqi border.

At its closest point, the Saudi pipeline runs about 2 kilometers (1.2 miles) from the Iraqi border.

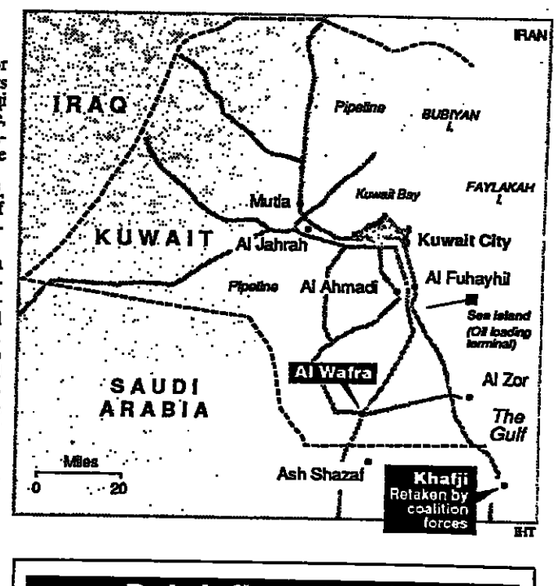
The incident involving the two missing personnel is not related to the fighting in and around Khafji or elsewhere along the Iraqi border, General Stevens said.

The official Iraqi press agency, INA, said in a report read on Baghdad radio that, as a result of the Khafji fighting, "some of the prisoners are women American soldiers and the Iraqis are treating them well in conformity with Islamic law and international conventions."

The chief White House spokesman, Marlin Fitzwater, was asked Thursday if the United States was concerned that Iraq might try to use the reported capture for propaganda purposes.

"We would deal with it in the same way that we do any other POW activities," he said. "It would be the kind of inhumane treatment that we have come to expect from

See POWS, Page 4



Ignoring Partners' Pleas, Germany Raises Rates

By Richard E. Smith
International Herald Tribune

FRANKFURT — The Bundesbank, worried about inflationary dangers at home, raised its key lending rates Thursday in spite of fears in Europe and the United States that high rates could further drain economies that already are strained by the Gulf war.

High interest rates in a key economy such as Germany's make it difficult for other countries to lower their own at a time when Bonn is already under pressure for not contributing more to the allied cause.

"We will indeed not receive much applause," conceded Karl Otto Pöhl, the Bundesbank president. "But in order to be credible, we cannot make our decisions dependent on politics."

The central bank raised its key discount rate to 6.5 percent, from 6.0 percent, and the Lombard rate, the rate charged on emergency overnight loans, to 9 percent, from 8.5 percent. Both rates now stand at their highest levels in nine years.

"In five or ten years, people will look back and point to this as a prime demonstration of the Bundesbank's independence," said Stephen King, an economist with James Capel & Co. in London.

The Bundesbank has always prided itself on its independence and in the past has not shied away from making politically controversial decisions.

Mr. Pöhl made clear at a news conference Thursday that he was aware that the latest Bundesbank decision "might not be immediately understood," but said that the Bundesbank's primary duty was to steer a stable monetary policy.

"I am happy that the Bundesbank is in the position to take such decisions independently," he said. "That is the great value of an independent central bank."

The surprise decision knocked the dollar down against the Deutsche mark (Page 9). It also led Austria and the Netherlands to raise their rates.

Official reaction was muted but analysts said that France, Britain and Italy could come under pressure in the European Monetary System, which links most European Community currencies.

Mr. Pöhl declined to comment about any likely EMS adjustments, but many analysts have suspected for some time that the Bundesbank might welcome an upgrading of the mark within the EMS.

A stronger mark would make imports cheaper for Germany's booming economy and aid the reunification process. But it would also doom some other EMS member countries, notably France, to higher interest rates at a time when they already fear recession.

"The Bundesbank is doing exact-

See RATES, Page 11

Debriefing: Day 15

Sorties
- More than 2,600 allied sorties flown Thursday, for a total of more than 32,000 in 15 days of war.
- 1 Iraqi Scud missile hit the occupied West Bank on Thursday, causing no damage, the eighth attack and the 27th missile to be fired at Israeli-controlled territory. No Scuds fired Thursday at Saudi Arabia; 27 fired earlier.

Losses
- 2 U.S. soldiers, a man and a woman, missing Thursday in combat. Iraq said it captured the first female prisoners of the war. 20 allied soldiers missing earlier, including 7 Americans, 10 Britons, 2 Italians and 1 Kuwaiti. 7 other Americans are formally listed as POWs.
- Toll lowered Thursday to 11 from 12 U.S. Marines killed and 2 wounded, in ground fighting on the Saudi border.
- 160 Iraqis were taken prisoner in border fighting, reports said Thursday. Previously, 131 Iraqi POWs had been reported.
- 1 allied plane reported lost Thursday, but not confirmed by Pentagon. 26 allied planes lost earlier, including 17 U.S., 6 British, 1 Kuwaiti, 1 Italian, and 1 Saudi.
- No Iraqi planes reported destroyed Thursday; earlier toll was 53, including 27 in air-to-air combat and 26 on the ground. By Thursday, an estimated 98 Iraqi aircraft had been flown to haven in Iran.
- 1 Iraqi landing craft was disabled Thursday, for a total of 47 Iraqi naval ships sunk or disabled.

Iraqi Claims
- No "air target" downings reported Thursday. Earlier total was 216 planes and missiles. Iraq now refers to action against "air targets" without further detail.
- 90 Iraqi soldiers killed; 320 Iraqi civilians killed, 400 injured. No new figures Thursday.

Terrorism
- At least 11 attacks on allied interests reported Thursday. U.S. reports 70 acts of terrorism worldwide against allies since war began.

Assessment
"If they mounted an effective thrust to the south what they would do would be to come out of fortifications where we have difficulty rooting them out. They would leave much of their air defense, such as it is. . . . I think they would be sorry they did that." — Lieutenant General Thomas W. Kelly, Joint Chiefs of Staff.

Kiosk

Croats Walk Out of Yugoslav Talks

BELGRADE (Reuters) — Leaders of the secessionist republic of Croatia walked out of an emergency meeting of Yugoslavia's top officials on Thursday because of a dispute with the army.

Croatian leaders said they had disagreed sharply with military leaders at the meeting, which was also attended by Prime Minister Ante Markovic and the presidents of the six Yugoslav republics. Any talks on the country's future should exclude the army, they said. Croatia recently defied an army order to detain its state defense minister.

Weekend
The soap opera serial is about to acquire a European accent. Page 13.

Crossword Page 14. *Weather* Page 2.

Gold NY SPOT	Oil W. TEXAS NYME	The Dollar In New York		Dow Close
365.35		DM	1.4765	
Down $3.00	Up $0.58 $21.55	Pound	1.9665	Up 23.27 2,736.39
		Yen	131.25	
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War Dims Fed's Outlook

By David E. Rosenbaum
New York Times Service

WASHINGTON — Alan Greenspan, the chairman of the Federal Reserve Board, says the United States could face a long and deep recession if the Gulf war lasts past the middle of April.

In an interview, Mr. Greenspan said he expected a rapid rebound from the current recession if the war is "relatively short" and oil fields are not seriously damaged.

"But if you get beyond three months," he continued, "you begin to risk consumer confidence erosion, and that would abort any meaningful recovery."

This stance, expressed in an interview late Tuesday, is more pessimistic than the one he took before Congress last week, when he suggested that the economic consequences of the war would probably be slight.

He also repeated his view that the Fed might need to take steps soon to make banks more willing to lend money to credit-worthy customers.

The economy today is in "the most confidence-sensitive cycle I've seen in decades," he said.

"The risks that confidence will not come back sufficiently, adequately to bring the economy out of its recession, is regrettably higher than I would like," he added.

The Federal Reserve has more influence over the economy than any other part of the government, and Mr. Greenspan is personally in the hot seat.

His four-year term as chairman expires in August. Many economists and politicians say he waited too long last year to deal with the slowdown and is thus partly to blame for the recession. He is also responsible for trying to bolster a fragile banking system.

He is so close to the Bush administration that he is almost a part of it. President George Bush announced in his State of the Union address on Tuesday night that he was appointing Mr. Greenspan, a strong supporter of a lower capital gains tax, to head a commission to sort out the technical differences that separate the president and the Congress on the issue.

But the chairman is also increasingly under attack from the administration. In a barely veiled

See RISK, Page 11

From Rhetoric to Reality: Bush Acts to Limit Space Defense

By William J. Broad
New York Times Service

NEW YORK — President George Bush's decision to reduce the goals of the Strategic Defense Initiative from an impenetrable shield to a limited defense against missile attacks is a milestone in the government's slow rejection of former President Ronald Reagan's grandiose aims.

The shift has long been advocated by Congress and has been implicit in the Pentagon's turbulent, seven-year search for technologies to destroy all enemy missiles.

The feasibility of limited protection has recently been driven home by the achievements of the Patriot anti-missile system in the Gulf war and the Pentagon's announcement of the successful interception Monday of a mock warhead high above the South Pacific, an achievement that took seven years of intensive research.

Yet despite formidable efforts by scientists, the dream of being able to destroy thousands of nuclear warheads speeding through space, surrounded by hundreds of thousands of decoys and false targets, seems to most experts as distant today as when Mr. Reagan proposed the goal in 1983.

Moreover, the collapse of the Soviet economy and the easing of East-West tensions have reduced that threat.

"The president's rhetoric has fallen in line with what everybody other than the most ardent true believers have known for some time," said Albert Carnesale of

NEWS ANALYSIS

the Kennedy School of Government at Harvard University, who is an an expert on anti-missile technology.

In his State of the Union Message on Tuesday, Mr. Bush called for a new emphasis in the Strategic Defense Initiative "on providing protection from limited ballistic missile strikes, whatever their source."

"Let us pursue an SDI program that can deal with any future threat to the United States, to our forces overseas and to our friends and allies," he said.

In theory, the move would reduce the cost of deploying a defense and perhaps raise the research program's fortunes in Congress, which has repeatedly cut its budget.

But there are already rumblings of disapproval on Capitol Hill, with some members of Congress seeing the move as a pretext for the acquisition of a more ambitious system.

The announcement follows years of high-level agonizing over what the program should do. As the danger of the Soviet military threat faded, the White House grew increasingly worried about a possible threat from Third World countries.

William H. Webster, the director of central intelligence, warned in a speech nearly two years ago that at least 15 developing nations would be producing their own ballistic missiles by the turn of the century and said that some were also working on nuclear, chemical and biological arms.

"Many of the countries where these missiles are being developed are in the Middle East, an area where we have important security interests, and where regional tensions are highest," Mr. Webster said.

For the past year or so, the missile-defense program has tried to formulate a more limited approach that would address the Third World threat, while giving a modicum of protection against a small Soviet attack, perhaps begun by accident.

Henry F. Cooper, the program's director, outlined the results of that search in December in a talk to the American Association for the Advancement of Science.

Theoretically, the system, called Global Protection Against Limited Strikes, would protect against up to 100 enemy warheads.

The proposed system, he said, would have ground-based as well as space-based interceptors that destroy targets by force of impact rather than an explosive charge.

The ground-based interceptors would include derivatives of the one fired Monday, the Exoatmospheric Re-entry-Vehicle Interceptor System. Space-based interceptors would be swarms of tiny homing missiles, called Brilliant Pebbles. Such small missiles have undergone no realistic test.

A senior Defense Department official said that the limited defense would have about one-quarter of the 4,612 Brilliant Pebbles the government previously envisioned for full defense and about 1,000 ground-based interceptors, half the number originally planned.

The official added that its cost would be about $30 billion, half the $60 billion envisioned for SDI's first phase.

Representative Charles E. Bennett, Democrat of Florida, who has fought to cut the budget of the anti-missile program, Wednesday expressed doubts about the cost estimates and the merit of Mr. Bush's move.

"Brilliant Pebbles would violate the ABM Treaty," he said, referring to the 1972 pact in which the Soviet Union and the United States agreed to limits on developing or deploying improved anti-missile devices.

Mr. Bennett predicted that any system with space-based elements would be rejected by the Congress and suggested that the president's move was simply a maneuver to keep the SDI program alive.

But Mr. Carnesale said he thought the move would prompt a serious re-evaluation of anti-missile defense and perhaps a renaissance.

"In the past, it's been too easy to refute defenses on the basis that they couldn't achieve the most optimistic vision," he said. "It was difficult to have a rational discourse." Now, he said, the debate will focus on technical issues like feasibility and cost.

WORLD BRIEFS

1,000 Arrested in Madras Rioting After New Delhi Imposes Direct Rule

MADRAS, India (Combined Dispatches) — Violent crowds rioted in Madras, capital of Tamil Nadu state, after New Delhi announced it was imposing direct rule to curb Sri Lankan Tamil guerrilla activity in the region, the police said Thursday, and the Indian government sent in hundreds of federal paramilitary troops.

The police arrested at least 1,000 people to quell the rioting that began late Wednesday in Madras as news spread that Prime Minister Chandra Shekhar had dismissed the government of the southern state, which has a history of dissent against New Delhi.

India's main opposition parties on Thursday called on Mr. Shekhar's government to resign and urged nationwide protests on Feb. 6.

Tamil Nadu is the fourth of India's 25 states to be put under the control of officials named by New Delhi. The central government said it was taking direct control of Tamil Nadu because the state government had failed to check gun-running by Sri Lankan guerrillas across the strait that separates the Indian state from the island nation. *(Reuters, AFP)*

Disputes Split Somalia Rebel Group

NAIROBI (Reuters) — Somalia faced the danger of new conflict on Thursday after rifts appeared within the United Somalia Congress, which last weekend drove President Mohammed Siad Barre from power after 21 years of rule.

In a sign of division among the rebels, the London office of United Somalia Congress condemned Tuesday's appointment of Ali Mahdi Mohammed, a businessman, as interim president. "If necessary we will fight against him," said the London faction's representative, Ali Hassan Hussein.

Spokesmen for other factions of the rebel group said they also feared a resumption of fighting in the capital of Mogadishu if differences were not resolved. Sporadic gunfire has continued in Mogadishu since Mr. Siad Barre fled the city on Sunday. "Everyone is armed," a rebel representative in Nairobi said.

12-Year Term for German Terrorist

MUNICH (Reuters) — Werner Lotze, a former leader of the terrorist Red Army Faction, was sentenced to 12 years in prison Thursday for crimes that included the attempted murder of the former NATO supreme commander, General Alexander M. Haig Jr., in 1979.

Mr. Lotze, 38, was convicted of killing a German policeman, attempted murder and bombing. Although Mr. Lotze confessed, the court imposed a more severe sentence than the nine-year term the prosecution had asked.

Mr. Lotze was arrested in June in what was then East Germany, where he had been living under an assumed name. His trial was the first of several of Red Army Faction suspects who had been living in East Germany under identities provided by the Stasi, the East German secret police.

Bulgarians Buy to Beat Price Rises

SOFIA (Reuters) — Bulgarians rushed Thursday to buy food, fuel and medicines at sparsely stocked shops and on the black market, a day before government-ordered price rises.

The five-week-old government, grappling with an $11 billion debt inherited from the former Communist administration, is increasing prices on a range of goods as a first step toward creating a market economy. Electricity, coal and gas prices are expected to be four to six times higher on Friday. Public transport fares will increase twelvefold. Although 16 basic products, including bread, butter and meat, will remain under government control, their prices are also expected to be seven times higher.

Protest Targets Albanian Minister

TIRANA, Albania (AP) — More than 1,000 demonstrators demanded the resignation of Foreign Minister Reis Malile on Thursday following his recent visits to China and Cuba.

Students and workers joined pensioners and housewives on a grassy bank opposite the Foreign Ministry, chanting, "Resign, resign. We want an answer now." The crowd waved placards, "China, Cuba, we don't need them," and shouted, "Down with dictatorship. We want Albania in Europe."

"We are against our minister's visit to China — a country where dictators are against students," said Suleman Bardhei, a welder who joined the protest during his lunch break.

2d Medellín Drug Ring Hostage Slain

BOGOTA (NYT) — Drug traffickers who claimed to have changed their minds after issuing an order to have a hostage killed were unable to get the message to their hit men in time. Marina Montoya de Pérez, whose body was identified Thursday in Bogotá, was the second hostage to die last month.

Miss Montoya, whose body was found by the police a week earlier, was one of nine hostages originally taken by the Medellín cocaine network in the fall. She was the sister of German Montoya, who served as chief adviser to former President Virgilio Barco Vargas in 1989, when the drug war first heated up. Mr. Montoya is now the ambassador to Canada.

In a communiqué issued to local newspapers, the traffickers said they were calling off a threat of renewed war. But they said they had already ordered Miss Montoya's death and had no way of knowing whether their hit men had carried through.

Russia Takes Step For Own Defense

Compiled by Our Staff From Dispatches

MOSCOW — The Russian Republic is to set up a defense and security committee, a first step toward the creation of a Russian Defense Ministry separate from that of the Soviet Union, Russian deputies said Thursday.

The Russian parliament's presidium, or executive committee, made the decision after Boris N. Yeltsin, the president of the Russian Republic, called for a "republican national guard."

But General Konstantin Kobets, who was appointed chairman of the panel Thursday, said in an interview with Tass that he and Mr. Yeltsin had agreed that "Russia does not need an army as an instrument to protect its sovereignty and the state or to continue policies."

General Kobets, 51, deputy chief of the Soviet general staff and head of communication forces, said he favored united armed forces for the entire Soviet Union.

Mikhail Zakharov, a member of the republic's presidium, said earlier that the committee constituted "a first step toward the setting up of a Russian Defense Ministry."

"It is all the more necessary," he added, "at a time when the Soviet Army is busy not with the defense against foreign enemies, but with the defense of those in power from the threat of their own people." *(AFP, Reuters)*

■ Move to Call Off Patrols

Michael Dobbs of The Washington Post reported from Moscow:

The Russian parliament appealed Thursday to President Mikhail S. Gorbachev to rescind a decree ordering joint army and police patrols of major Soviet cities. The decree is to take effect Friday.

The vote protesting the patrolling came as leaders of the Soviet Union's 15 republics began an important meeting in Moscow.

At least half a dozen republics are now publicly opposed to the measure, which the central government has depicted as an attempt to strengthen law and order. Liberals have denounced the move as tantamount to a state of emergency.

The Russian parliament asked a constitutional watchdog committee to rule on the legality of the Dec. 29 decree, in which the ministers of defense and the interior established special groups of soldiers and police officers to patrol major cities in the event of a threat to public security. Mr. Gorbachev endorsed the decree earlier this week.

"The use of armed servicemen on city streets can lead to the destabilizing of the political situation and to a considerable curtailing or violation of rights and freedoms," the parliament said in requesting suspension of the measure.

In view of the opposition from the republics, it was unclear whether the patrolling on foot and in personnel carriers would begin Friday as scheduled. In a newspaper interview earlier this week, Interior Minister Boris K. Pugo was quoted as saying that it would be up to the republics to decide whether to accept the patrols.

Over the last few days, Soviet leaders have taken a somewhat softer stance toward the Baltic republics, emphasizing the need for compromise between the pro-independence majority and the Russian-speaking minority.

■ U.S. Envoys in Baltics

The United States has stationed diplomats in the Baltic republics, and U.S. officials are encouraging separatists there to hold popular votes on their independence declarations, The Associated Press reported from Moscow on Thursday, quoting Baltic officials.

Estonia's parliament decided Thursday to hold an independence referendum on March 3, two weeks before the date set by President Gorbachev for a nationwide vote. Lithuania has scheduled a vote for Feb. 9, and Latvia is expected to consider one soon.

Laszlo Balogh/Reuters

MILK LINE IN BUDAPEST — Hungarians grabbing for sacks of milk on Thursday outside parliament in Budapest, where angry dairy farmers gave it away to protest a lack of government support for their troubled industry. There has been a sharp decline in milk consumption in the past year because of rising prices. The government has urged producers to cut output by 15 percent.

Hanoi Split on Policy and Future Leader

By Steven Erlanger
New York Times Service

HO CHI MINH CITY — The aging Vietnamese leadership is deeply divided over the direction of future policies, Communist Party officials say, raising doubts that the 75-year-old general secretary of the party will step down in May.

The party is scheduled to hold its first congress since 1986 in May, when the general secretary, Nguyen Van Linh, has said he will resign. But persistent disagreements over crucial issues, such as how far to open to the West while preserving Communist Party power, have become inevitably linked to party personalities, complicating the choice of Mr. Linh's successor, the officials and other middle-rank party members say.

Many Vietnamese and some Western and Asian diplomats in Hanoi say they now believe that Mr. Linh may not step down at the next congress, which may itself be postponed.

"This is the biggest crisis in the socialist camp since 1917," a party member said. "Right now the leadership just doesn't know what to do."

Another party member said the leaders "know how angry people are."

"But they don't have the answers," he added. "There is a contradiction between reality and their principles, which they cannot abandon."

So there is confusion and stalemate, with a continuing search for the right form of words, especially for the political report, the key document assessing the last four years and pointing toward the future, that will be adopted at the next congress.

A party meeting of the Politburo and the Central Committee ended in Ho Chi Minh City in mid-January with a terse statement saying that "many important ideas" had been raised to improve the political report and that a subcommittee had been appointed to revise it.

The prospect of so much debate at this late date, after months of meetings at all levels of the party, is a sign of the divisions, these party members say.

The collapse of communism in Eastern Europe and the chaotic efforts toward restructuring in the Soviet Union have shaken the Vietnamese, who had started down the path of *perestroika* and *glasnost* themselves at the last party congress, in December 1986. Since 1989, however, party leaders have slowed efforts for openness and political change, while stating bluntly that Vietnam will not tolerate a multiparty system.

There have also been efforts to improve relations with China, the other stolid Asian Communist society. Those relations had been severely strained since the Vietnamese invasion of Cambodia in late 1978.

Foreign Minister Nguyen Co Thach has become a sort of focus of the debate, party officials say. Some party members said Mr. Thach nearly lost his job at the end of the meeting last month, but this assertion, though widely repeated, could not be confirmed.

He has pushed the leadership to withdraw forces from Cambodia so as to regain acceptance in the West and end a U.S.-led embargo on aid and investment in Vietnam, which badly needs hard currency. But he has resisted moving closer to China and is widely disliked by the Chinese leadership.

He has also pushed for economic changes and a modified market system.

At the recent meeting, Mr. Thach was criticized for being "pro-Soviet," some Vietnamese say, which still translates as meaning too eager for political changes.

The name of President Mikhail S. Gorbachev is not raised easily any longer in the company of ranking Vietnamese leaders, who think more and more as the Chinese do that Mr. Gorbachev has been a disaster for communism.

Mr. Gorbachev's economic changes have also caused Vietnam severe difficulties.

Most Soviet aid has stopped, and there is a new requirement this year that all trade be denominated at world prices in hard currency.

That immediately makes most Soviet imports, in particular needed oil products and fertilizer, seven times more expensive than last year.

For oil alone, a Western banker says, that means an extra cost of $250 million, and that is at prices prevailing before Aug. 2, when Iraq invaded Kuwait.

The Job Line: A Western Institution Goes East

By John Tagliabue
New York Times Service

BERLIN — For Peter Heitmann, the trudge up Ruschestrasse is not a walk in a prosperous Germany.

The stroll takes him past gray flats still scarred by wartime shellings and beyond the concrete slab offices of the Deutsche Reichsbahn, East Germany's rickety railroad, to a high-rise building of glass and cement that once housed the Communist secret police.

East Berliners no longer cower before the building. In fact, they flock to it almost daily, because it now houses something unknown under communism: the city unemployment office.

Like millions of East Berliners, Mr. Heitmann, an electrician, is idle. He is not listed as unemployed; in August the company where he worked fixing electrical appliances — irons, toasters, hot plates — listed him as employed part time, although he does not go to work at all.

Across Eastern Europe, as emerging market economies create armies of the unemployed, governments are dealing with the problem. Their actions borrow heavily from techniques long known in the West: unemployment checks, employment agencies and training programs. Nowhere are such measures being put to work with more consistency than in the former East Germany.

Unemployment is a delicate issue in Eastern Europe, where Communist governments provided the certainty of a job and a kind of security, albeit usually in misery. But the topic has particular urgency in Germany, where people recall that the millions of jobless in the 1930s provided the milieu in which Nazism flourished.

Norbert Grabitz ordinarily runs the employment agency in the Kreuzberg district of West Berlin. Last month, he joined a group of 15 to 20 Western experts who go on loan regularly to East Berlin for eight-week periods to help it organize, make computer lists of the jobless and start training programs.

"Just paying unemployment checks is not our main job," he said. "It's giving people the qualifications that can lead to new jobs."

But he concedes that in decades of experience in West Germany he never saw such numbers. Every week now, 500 to 600 newly unemployed people sign up to collect their checks, search for new work or seek a training slot.

When Werner Wollschlager glances out his ninth-floor window at the employment office he surveys a sad landscape of crumbling industries, textile mills, a ball-bearing factory, foundries, where collapsing orders from cash-strapped East European countries are shutting down one factory after another. The district also includes many of the big former Communist bureaucracies, most of whose functionaries were dismissed when the Germanys reunited in October.

Mr. Wollschlager, the energetic employment office director, had a similar job under the Communist government. But in a system where jobs were created and filled by planners, his staff of 180 had little to do beyond looking after ex-convicts and assorted others who were round pegs refusing to go into the centrally planned economy's square holes.

In July, Mr. Wollschlager was entrusted with forming a placement agency along Western lines; his staff of 420 now struggles to place a mounting number of jobless in a dwindling number of jobs. He and his staff had charge of 19,786 jobless in December, about 10 percent of the district labor force, with 30,000 others on shortened hours.

If retraining looks good on paper, Mr. Heitmann's story illustrates the hitches. Reasoning that a coming building boom would generate new jobs, the 23-year-old bachelor sought to sign up in July to be retrained as a construction electrician, but was told that the programs were just getting started and no places were available.

"Now I'm told chances are still bad — I should wait another six months," he said. "Now and again I help out at my old place, and I've been to companies in West Berlin. But there's nothing."

John Bardeen, Nobel Physicist, Dies

By John Noble Wilford
New York Times Service

John Bardeen, 82, a co-inventor of the transistor and twice a winner of the Nobel Prize in Physics, died of a heart attack Wednesday in Boston.

Mr. Bardeen, a professor emeritus at the University of Illinois, also developed the theory of low-temperature superconductivity for which he won his second Nobel prize.

He was working with two other scientists, Walter Brattain and William P. Shockley, at the Bell Laboratories in Murray Hill, New Jersey, when they developed the semiconductor transistor in 1947. Its first use was in telephone-switching equipment in 1952.

The invention of the transistor earned the three men a Nobel prize in 1956 and transformed science and industry. The tiny devices on silicon chips pushed aside the large, inefficient vacuum tubes and made way for portable radios, computers and the miniaturized electronics required for space flight.

Mr. Bardeen once remarked, "I knew the transistor was important, but I never foresaw the revolution in electronics it would bring."

He was the last surviving member of the team responsible for the invention. Mr. Brattain died in 1987, and Mr. Shockley, in 1989.

In 1951, Mr. Bardeen joined the University of Illinois faculty and soon began the research that made him the first person to receive two Nobel prizes in the same field. His development of a theory of low-temperature superconductivity, in which electricity travels with little or no resistance, helped researchers develop technologies for magnetic imaging systems for medical diagnosis and made it possible to devise alloys that become superconducting at less extreme temperatures.

"Superconductivity was more difficult to solve, and it required some radically new concepts," he said.

This work was done with two graduate students, Leon Cooper, now at Brown University, and J. Robert Schrieffer, now at the University of California at Santa Barbara. The three shared the Nobel Prize in Physics in 1972.

Mr. Bardeen was born in Madison, Wisconsin, the son of a dean of the medical school at the University of Wisconsin. He received his bachelor's and master's degrees in electrical engineering there and earned a doctorate in mathematical physics at Princeton in 1936.

AP

John Bardeen, the first to win two Nobels in the same field.

TRAVEL UPDATE

KLM to Cut Europe and U.S. Service

AMSTERDAM (AP) — KLM Royal Dutch Airlines said Thursday that it would cut service to European and U.S. destinations to cope with falling passenger traffic related to the Gulf war.

The Dutch flag carrier will cut its capacity within Europe by 20 percent by canceling and combining flights and using smaller aircraft to serve almost half of its 69 destinations on the Continent, the airline spokesman said. But he did not name destinations that would be affected.

Continental Airlines announced that it was adding 32 flights around the United States, including 12 from Newark to Florida, to fill in some of the gaps left by the recent shutdown of Eastern Airlines. When it halted operations Jan. 18, Eastern was serving numerous East Coast cities, and it had hundreds of flights out of its main hub in Atlanta. Continental said the additional flights out of the New Jersey airport to Florida would begin Feb. 14. They will go to Daytona Beach, Fort Lauderdale, Fort Myers, Orlando, Sarasota, Tampa and West Palm Beach. Two new flights from Newark to Atlanta will begin Feb. 1. The remaining 18 flights will be added mainly at Continental's hubs in Houston and Denver. *(NYT)*

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	3	36	-1	30	c
Athens	13	55	4	39	s
Barcelona	12	54	4	39	s
Belgrade	1	34	-13	9	sf
Berlin	2	36	-8	18	sf
Brussels	2	36	-1	30	c
Budapest	3	37	-12	10	sf
Copenhagen	1	34	-2	28	sf
Costa Del Sol	14	57	6	43	s
Dublin	6	43	0	32	sf
Edinburgh	4	39	-5	23	sw
Faro	15	59	3	36	s
Florence	11	52	2	36	sf
Frankfurt	3	37	-4	25	sf
Geneva	9	48	-2	28	sf
Helsinki	-6	16	-8	18	sw
Las Palmas	21	70	14	57	s
Lisbon	13	55	6	43	c
London	7	45	0	32	c
Luxembourg	1	34	-7	19	c
Madrid	9	48	-3	26	c
Milan	1	34	-5	23	sf
Moscow	-24	-11	-29	-20	sf
Munich	0	32	-9	16	sf
Nice	13	55	5	41	c
Oslo	0	32	-1	30	sf
Paris	3	37	0	32	sf
Prague	2	36	-12	9	sf
Reykjavik	5	41	-1	7	sf
Rome	7	45	0	32	sf
Stockholm	-3	26	-5	23	sf
Strasbourg	-2	28	-4	25	sf
Venice	7	45	-2	28	sf
Vienna	4	39	-10	14	sf
Warsaw	-9	15	-17	1	sf
Zurich	-4	25	-5	23	c
MIDDLE EAST					
Cairo	19	66	10	50	fr
Istanbul	3	38	0	32	sw
Manama	—	—	—	—	na
Riyadh	—	—	—	—	na
Tel Aviv	—	—	—	—	na
OCEANIA					
Auckland	—	—	—	—	na
Sydney	29	84	19	66	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	20	68	sf
Beijing	5	41	-6	21	c
Hong Kong	19	66	17	63	sh
Manila	31	88	21	70	c
New Delhi	—	—	—	—	—
Seoul	4	39	-5	23	sf
Shanghai	5	41	-3	26	c
Singapore	29	84	23	73	sf
Taipei	17	63	13	55	r
Tokyo	11	52	2	36	r
AFRICA					
Algiers	12	54	8	46	r
Cape Town	27	81	15	59	s
Casablanca	16	61	5	41	c
Harare	29	84	17	63	c
Lagos	31	88	28	82	c
Nairobi	28	82	14	57	c
Tunis	14	57	7	45	sh
LATIN AMERICA					
Buenos Aires	—	—	—	—	na
Lima	26	79	20	68	c
Mexico City	18	64	6	43	c
Rio de Janeiro	32	90	27	81	c
NORTH AMERICA					
Anchorage	-11	12	-24	-11	pc
Atlanta	11	52	0	32	sn
Boston	3	38	-8	18	sn
Chicago	-2	28	-9	16	sn
Denver	13	55	-3	26	sn
Detroit	-4	25	-11	12	sn
Honolulu	29	84	17	63	pc
Houston	16	61	6	43	sn
Los Angeles	24	75	9	48	sn
Miami	30	86	20	68	sn
Minneapolis	-5	23	-10	14	sn
Montreal	-9	16	-20	-4	sn
Nassau	29	84	17	63	sn
New York	3	38	-5	23	sn
Phoenix	21	70	6	43	sn
San Francisco	16	61	9	48	pc
Seattle	10	50	7	45	sn
Toronto	-5	23	-11	12	sn
Washington	7	45	-4	25	sn

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

FRIDAY'S FORECAST — CHANNEL: Slightly rough. FRANKFURT: Partly cloudy. Temp. 2 — 7 (36 — 19). LONDON: Partly cloudy. Temp. 4 — 7 (39 — 26). MADRID: Rain. Temp. 6 — 2 (43 — 28). NEW YORK: Partly cloudy. Temp. 0 — 4 (32 — 26). ROME: Partly cloudy. Temp. 7 — 1 (45 — 30). PARIS: Partly cloudy. Temp. 3 — 7 (37 — 19). ZURICH: Cloudy. Temp. 0 — 7 (32 — 19). TEL AVIV: Rain. Temp. 11 — 2 (52 — 36). HONG KONG: Rain. Temp. 14 — 13 (57 — 55). BANGKOK: Fair. Temp. 33 — 20 (91 — 68). SEOUL: Fair. Temp. 3 — 5 (38 — 23). MANILA: Cloudy. Temp. 31 — 21 (88 — 70). TOKYO: Fair. Temp. 11 — 2 (52 — 36). SINGAPORE: Showers. Temp. 31 — 25 (88 — 77).

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مكتوم من الأصل

WAR IN THE GULF: "Perhaps," Schwarzkopf said, "we had lost sight of the fact that lives are being lost."

Reminder: 'War Is Going to Kill People'

The Associated Press

WASHINGTON — The commander of Operation Desert Storm said Thursday that the first ground combat deaths ought to bring home to Americans that "war is going to kill people."

General H. Norman Schwarzkopf, commander of allied forces in the Gulf, said in a television interview that "perhaps in the euphoria of the high-technology weapons and this sort of thing, we had lost sight of the fact that lives are being lost."

"There are human lives involved here, and war is going to kill people," he said.

"If this is sobering to the American people, I don't think that's unhealthy," he added. "As a matter of fact, I think it's important that the American people understand that."

Commenting as the military disclosed the deaths of 11 Marines in the initial Iraqi ground assault on the Saudi Arabian town of Khafji, some Democratic lawmakers said President George Bush needed to do more to prepare the public for the likely carnage that full-scale ground fighting could bring.

The White House said Thursday the ground strategy for fighting Iraq was being conducted "exactly right" and reiterated that the U.S.-led forces would move to a full-scale war "when we're ready."

Marlin Fitzwater, the White House press secretary, asked if Mr. Bush was concerned that the Marines may have provoked the Iraqi attack at Khafji by lobbing artillery across the border when the allied forces were not ready for a full-scale ground war, said:

"I'd refer you to the military authorities and the Pentagon for the ground strategy, but we think it's been conducted exactly right, exactly according to plan, and we don't have any fault with it in any way."

"When we're ready to move, we'll move," he said.

The Pentagon put the number of Marines killed in fighting in northern Saudi Arabia at 11, instead of the 12 reported Wednesday. Members of Congress warned Americans to brace for more casualties.

"I think we have expectations that are unrealistic," said Representative Les Aspin, Democrat of Wisconsin, chairman of the House Armed Services Committee.

So far, he said, the war has been "essentially devoid of casualties," creating "a standard impossible to match."

But the House speaker, Thomas S. Foley, Democrat of Washington, said the public had no illusions about the potential human cost.

"I don't think the country is without realism on this," Mr. Foley said. "People expect that it could be a war that could produce much more serious loss of life and casualties."

Mr. Bush was silent on the deaths of the Marines when he went to Capitol Hill on Wednesday for a brief speech.

"He's very saddened by any casualties, and we certainly are following this incident," Mr. Fitzwater said Wednesday.

The president planned to travel Friday to three bases in North Carolina and Georgia that have troops deployed in the Gulf. He was to meet privately with the families of soldiers missing in action, the White House announced.

Some lawmakers said they believed Americans need to be steeled for losses so that national resolve to achieve U.S. goals can be maintained.

"It has been relatively bloodless," said Representative Les AuCoin, Democrat of Oregon. "But that will all change if we go to the ground — and that's where we're heading."

"Public opinion won't shift until there's a very large loss of life," said Representative Gary L. Ackerman, Democrat of New York. "There is some magic threshold, maybe around 1,000. It is the president's job to prepare the American people for the possibility that this won't be a six-day war."

The Associated Press

An American officer in Saudi Arabia wearing a photograph of her daughter on her helmet.

Terrorists Hit 70 Targets During War, U.S. Reports

Reuters

WASHINGTON — The United States said Thursday that there had been about 70 acts of "terrorism" against American and allied interests since the Gulf war began, 11 in the previous 24 hours, but an official said Iraqi agents were involved in only three.

The incidents ascribed to Iraqi agents were the bungled bombing of a U.S. library in Manila on Jan. 19 and unspecified Iraqi activity in Thailand and Tanzania.

The State Department spokesman, Margaret D. Tutwiler, listed 11 attacks in the previous 24 hours on U.S. and coalition interests. Miss Tutwiler said three were in Yemen, three in Lima, two in the Philippines and one each in Santiago, Beirut and Amman, Jordan.

"These incidents have resulted in property damage," he said. "So far the injuries have been relatively few."

"We have a report of one death, a bank guard, at a bank in Lebanon on Jan. 23," she added.

Most of the attacks, she said, had been "conducted by indigenous groups which have carried out similar violence in the past."

A high-ranking Federal Bureau of Investigation official said Thursday that the threat of terrorist attacks against Americans would linger long after the Gulf war.

"I tell our agents it's like a mile or two-mile run," said William M. Baker, an assistant director of the FBI. "We're only into the first lap."

An Iraqi was killed and another wounded in the Jan. 19 incident in Manila when a bomb they were trying to plant went off prematurely. The Philippine government later expelled two students, both sons of Iraq's ambassador to Somalia.

Intelligence sources said they were part of an Iraqi terrorist network in Asia.

Thai authorities asked six Iraqi diplomats to leave last week after security forces discovered a cache of weapons brought in under diplomatic cover on Jan. 19.

The State Department advised American citizens last week to put off nonessential travel to Tanzania, saying there was an Iraqi-sponsored plot against diplomats, which it declined to describe.

"We weren't sure what the targets of the Thailand or Tanzania plots were, which is why we went public about the threats," the official said.

President Saddam Hussein of Iraq has threatened to unleash a wave of attacks against U.S. interests, and Palestinian groups backed by Iraq have repeated the threat.

The official said there were several reasons why such Palestinian terrorist groups as those led by Abu Abbas and Abu Nidal might be holding back.

These included the heightened alertness of security agencies worldwide in view of Mr. Hussein's threats and the fact that other governments that had backed such groups in the past, including Syria, Libya and Iran, were either officially neutral in the Gulf war or, in the case of Syria, were backing Washington.

The new French interior minister, Philippe Marchand, declared Thursday in Paris that there were "no immediate serious threats" of terrorist action in his country.

In Europe, Postwar Planning

But Allied Nations Still Hope for a Signal From Iraq

By William Drozdiak
Washington Post Service

PARIS — As the war enters its third week, the European allies are still holding the door open for a peace bid by Iraq as they step up planning for the daunting diplomatic agenda of reaching an overall Middle East peace settlement once the military conflict is over.

France's highest ranking career diplomat, François Scheer, arrived in Tehran on Thursday to undertake "normal, necessary and useful contacts" with the Iranian government. His mission coincided with the arrival in the Iranian capital of a high-level Iraqi delegation, led by a deputy prime minister, Saadoun Hammadi.

French Foreign Ministry officials insisted that Mr. Scheer did not have a mandate to discuss new peace initiatives and did not plan to meet with the Iraqi representatives. His main task, the officials said, was to secure assurances of Iran's continued neutrality in the conflict and to learn more about the hundred or so Iraqi planes that have mysteriously taken refuge in Iran.

French sources added, however, that Mr. Scheer would be attentive to any fresh signals suggesting that Iraq might soon be willing to pull out troops from Kuwait in a bid to end the conflict.

Foreign Minister Roland Dumas said the war could not be halted until Iraq indicated its clear intention to withdraw from Kuwait.

"We are involved in a conflict, and this conflict cannot end except through the willingness, clearly expressed by the Iraqi leadership, to evacuate Kuwait," Mr. Dumas said. "Everything is based on this premise."

France does not intend to make any new propositions now, Mr. Dumas continued, but he stressed that Paris "is always ready for any solution that could put an end to this war."

In that sense, he said he was "delighted" with the recent U.S.-Soviet declaration that showed that other leading countries were "now expressing the French viewpoint." The statement emphasized that the war was not intended to destroy Iraq and could be stopped as soon as Iraq made an unequivocal retreat from Kuwait. Moscow and Washington also pledged to work after the crisis for a comprehensive Mideast peace settlement.

Mr. Dumas's spokesman, Daniel Bernard, said the U.S.-Soviet document "picks up the ideas we have been repeating right up until the day war broke out."

"We rejoice in seeing other countries following our line," he said.

To the dismay of the United States and Britain, France offered a last-minute peace initiative just before the bombing raids began over Baghdad that linked the promise of an Iraqi pullout with a pledge by the West to convene an international peace conference on the Middle East.

When the proposal collapsed because Baghdad showed no sign of interest, President François Mitterrand told the nation that "now weapons will speak" and gave the order sending French forces into battle along with those of the United States, Britain and other members of the international coalition fighting Iraq.

Aides to Mr. Mitterrand say the president is convinced that only by joining its allies in the war can France ensure for itself a prominent role in the post-crisis diplomatic arrangements to secure a stable peace in the Middle East.

France and Britain have already begun preparations for the postwar phase, hoping to ensure a strong European voice in a process that will undoubtedly be driven by a new era of U.S.-Soviet cooperation as well as the contending interests of Middle Eastern states.

Led by France and Britain, foreign ministers of the European Community are expected to continue discussions to conceive an acceptable procedure for addressing the fundamental causes of instability in the Middle East.

Diplomats from France, Britain and Germany said initial discussions had focused on a process similar to the 34-nation Conference on Security and Cooperation in Europe, in which key issues like the Israeli-Palestinian conflict, Lebanon, Iraq and future Gulf security would be tackled in subgroups meeting on a regular basis.

The Israeli-Palestinian issue, as always, will be the most difficult to resolve, not least because of Israel's long-standing refusal to accept an international conference.

War Could Last 2 Months, Ozal Says

By Jonathan Randal
Washington Post Service

ANKARA — Scaling back prewar predictions of an easy allied victory over Iraq, President Turgut Ozal of Turkey said Thursday that two months or longer might be needed to defeat President Saddam Hussein if he is determined to fight to the bitter end.

Denying "surprise" at Iraq's ability to absorb allied punishment from the air, Mr. Ozal nonetheless reversed his originally rosy estimate. In an interview he invoked Iraq's accumulation "over the past 10 years of a sizeable military machine" to explain Baghdad's resistance that previously he had belittled.

Mr. Ozal also brushed aside criticism expressed in public opinion polls, the press and opposition parties of Turkish permission to use Incirlik Air Base for U.S. bombing raids against Iraq. He said the government authorized that decision "at the last moment," but he declined to be more explicit.

Mr. Ozal expressed doubts that Mr. Hussein would agree to withdraw from Kuwait in return for an end of hostilities. Such a possibility causes anxiety in Iran, Syria and Turkey and within the Iraqi opposition for fear the Iraqi leader would wreak vengeance on them if he survived.

Speaking at the presidential palace, Mr. Ozal contended that Mr. Hussein was condemned to fight on although he gave him "no chance" of winning the war.

The fighting now could last "two months" or be of "unknown duration," he said on the basis of interrogations of 600 Iraqi defectors. Iraqi troops, he said, were "so frightened of Saddam that I think he's brainwashed them, and we will have to wait until the dam breaks."

He noted that Mr. Hussein still claimed Kuwait as Iraq's 19th province. Mr. Ozal added that he doubted Mr. Hussein would risk facing war crimes charges or that he could pay off accumulated war reparations to a restored Kuwaiti government.

'I think Saddam has brainwashed the troops, and we will have to wait until the dam breaks.'
Turgut Ozal, president of Turkey

The Turkish leader said that 10 days ago an Iranian emissary had intimated that Tehran had agreed to allow Iraqi civilian aircraft to sit out the war in Iran, but had said nothing about authorizing war planes to do likewise.

Mr. Ozal said he doubted Iran would ever release the impounded planes. He said Iran "will probably keep them as reparations" that Tehran has said was its due from the 1980-1988 Gulf war, which was initiated by Iraq.

He defended the government's policy of declining to acknowledge the American use of Incirlik, near the city of Adana. He said the government thus "delayed Iraq's protest" and gained time for Patriot anti-missile batteries to become operational.

If Iraq did fire Scud missiles at Incirlik or at the air base at Diyarbakir in the southeast, he said Turkey would "exercise restraint" rather than retaliate on a tit-for-tat basis.

Discussing ideas of a postwar settlement, Mr. Ozal ruled out suggestions that Turkey recover the oil-producing regions of northern Iraq around Kirkuk and Mosul that once were part of the Ottoman empire.

He said a Europe and Japan dependent on Middle East oil should participate in a regional "Marshall Plan" to develop oil, gas and water pipelines to tie the often-rival countries together and create economic interdependence.

But he was more vague when pressed on ideas the Turkish press claimed reflected his thinking. In their most extreme form these ideas amount to a virtual Turkish protectorate over much of northern Iraq.

He reiterated "strong" Turkish opposition to an independent Kurdish state in Iraq that could provide support for Turkish Kurdistan, where Marxist guerrillas of the Kurdish Workers Party have been fighting for independence since 1984. He renewed charges that Syria and Iraq were backing Turkish separatist Kurds.

Mr. Ozal also showed no enthusiasm for tolerating a return to the March 1970 accords in which the Baghdad government granted Iraqi Kurds widespread autonomy.

Noting that Mr. Hussein had been instrumental in reneging on those arrangements, Mr. Ozal said that only democracy could guarantee the estimated 4 million Iraqi Kurds their rights.

A. Sesma/Agence France-Presse

Abbasi Madani, leader of the Islamic Salvation Front, addressing a pro-Iraq rally in Algiers.

Thousands in Algiers Rally for Iraq

Reuters

ALGIERS — Bearing cardboard models of Iraqi missiles, tens of thousands of Algerian Muslim fundamentalists marched in a downpour Thursday in support of President Saddam Hussein of Iraq and a holy war in the Gulf.

Leaders of the Islamic Salvation Front burned flags of the countries fighting Iraq and shouted, "Victory to Islam and the Muslims!"

Addressing a rally of more than 60,000 after the march, a leader of the Front, Abbasi Madani, declared, "The United States thinks it is the God of the time, but Allah has shown it is nothing."

The Islamic Salvation Front called the march to protest a speech by President Chadli Bendjedid last week denouncing political parties that he said were exploiting popular sentiment in favor of Iraq for domestic political ends.

Mr. Bendjedid also rejected a demand by fundamentalists to set up training camps for men who want to go the Gulf to fight on Iraq's side.

Buses brought Front supporters to Algiers from around the country, but there were far fewer participants than the 1 million the organizers had forecast. State-controlled and leftist opposition media denounced the march as electioneering and a threat to national unity.

Pro-Iraqi enthusiasts in Jordan were jubilant over reports that Iraqi troops had seized the town of Khafji, in Saudi Arabia, and had held it for more than a day.

"The extension into Khafji is another proof that the battle is a long one and that it is in the interests of the Arabs who are involved in the Western alliance to leave it now," said the Jordanian newspaper Al Rai.

Arab political experts said that Iraq's brief capture of Khafji might be celebrated by Arabs as evidence of Mr. Hussein's boldness against superior odds, much as failed Palestinian guerrilla raids and Arab losses in wars with Israel are seen by many Arabs as heroic.

Simply by holding out for at least 15 days and becoming the first Arab leader to strike at Tel Aviv, the Iraqi president has gained the admiration of many Arabs, they said.

Gulf Slick Heads for Wildlife Habitats

By Keith Schneider
New York Times Service

WASHINGTON — Coast Guard officers said Thursday that the giant oil slick in the Gulf could strike desalination plants in Jubail, Saudi Arabia, on Saturday and was also heading toward a string of offshore coral reefs and islands that serve as the prime habitat for birds, rare sea turtles and an endangered marine mammal.

Scientists who have studied the effects of oil at sea said the huge spill, which covers nearly 8,000 square kilometers (3,000 square miles) would threaten the desalination plants but may not produce the environmental damage once feared.

They said that because the oil has been at sea for a week, sunlight, waves and wind had already caused its most toxic chemicals to evaporate. The rest has probably become a far less sticky and poisonous mass of floating tar.

"We've got one massive amount of oil coming in a southerly direction and it is coming from multiple sources," said Lieutenant Commander Paul Milligan, a Coast Guard official in Dhahran, Saudi Arabia.

"At first we treated it as two different slicks," he said Thursday. "But it's getting bigger because over the last 24 to 36 hours a second amount of oil further north joined it. We really don't know how much oil is out there."

[The British defense secretary, Tom King, said Thursday that he had uncorroborated information that oil had stopped gushing out into a second oil slick in the northern Gulf, Reuters reported from London.

[Military sources in London had earlier indicated that Iraq had pumped more crude oil into the Gulf's northern waters to form a second slick. They said pumping had been in progress for 24 hours from the Iraqi oil terminal of Mina al Bakr.]

Though the oil will still make an unsightly mess if it hits land, it will float over coral reefs and not poison marine life, scientists said. These experts issued such predictions with caution, however, because the spill by most estimates contains 11 million barrels of oil, making it by far the largest spill in history, and the effects of so much oil on marine environments have never before been studied.

"I reckon that if the oil has been at sea for this long, it's going to be a lot less toxic than if it had hit a beach after the first day," said Kathryn A. Burns, an environmental geochemist at the Bermuda Biological Station, an oceanic research institution in St. George, Bermuda.

"If it comes ashore as discrete tarballs," she said, "that's not what kills birds or animals. The best case now is that it washes up as tar and and they can go pick it up and make road tar out of it."

She also warned American and Saudi officials not to use chemical dispersants to break it up. Such chemicals, she said, cause the oil to dissolve into droplets that would sink, smothering everything in its path, and poisoning coral reefs and the sea bottom.

On Tuesday, Abdulaziz Abo Zenado, the head of Saudi Arabia's Committee for Wildlife Conservation and Protection, expressed concern for islands directly in the path of the slick, including Harkus, Karan and Kurayn.

Harkus, the northernmost island, is now less than 65 kilometers (40 miles) south of the leading edge of the oil.

According to a study by the United Nations Environment Program, the most vulnerable of the rare mammals that could be hurt by the spill are dugongs, which are larger cousins of the Florida manatees. The UN report, prepared in 1988, said some 7,000 dugongs lived in the Gulf, feeding on sea grasses and nursing their young in tidal areas that could be heavily damaged if struck by the slick.

Gulf Notes

■ **Nearly 8 out of 10 Americans** support Pentagon restrictions on journalists covering the Gulf war, and almost 6 out of 10 say the military should exert "more control" over the press, according to a survey by the Times Mirror Center for the People and the Press. But nearly 8 out of 10 said the press is doing an excellent or good job and 61 percent said the coverage has been largely accurate. *(WP)*

Americans have more confidence in the military than at any time in the past 20 years because of the success of allied bombing raids on Iraqi installations. The Washington Post, reporting a nationwide poll, said Thursday that 85 percent of respondents expressed "a great deal" or "quite a lot" of confidence in the military. It also reported that 69 percent said the performance of high technology weapons in the Gulf inspired faith in U.S. technical ability. *(Reuters)*

■ **Walid Khaled,** spokesman for the Palestinian guerrilla group headed by Abu Nidal, was arrested at Beirut airport for traveling on a forged passport, the Lebanese police said Wednesday. Mr. Khaled was arrested Tuesday upon his arrival from Tunis using a Jordanian passport that identified him as Elias Basbar Khalil, they said. *(AP)*

■ **Americans serving in the Gulf** are in line for a raise in combat pay and a doubling of life insurance. The Senate Armed Services Committee approved legislation Wednesday that provides for an increase in the maximum benefit of servicemen's and veterans' life insurance from $50,000 to $100,000, and raises danger and hostile fire pay to $150 a month, from $110 a month, retroactive to Aug. 1. *(LAT)*

■ **Clear weather will prevail** over most of the Mideast on Thursday night and Friday as a storm system pushes out of northern Iraq, a private weather forecaster said Thursday. Accu-Weather said in State College, Pennsylvania, that a weak cold front would move eastward across Iraq and would reach Kuwait and the northern Gulf on Friday. Accu-Weather forecasts are based on satellite photographs, with no ground data available from areas of conflict. *(Reuters)*

■ **Jordan ordered fuel** rationing from next week. Its supply has been reduced by air raids on the main highway from Iraq. It said beginning Tuesday, private motorists would be allowed to use their cars only on alternate days. *(Reuters)*

■ **Iraq used French technology** and know-how, acquired from Argentina, to upgrade Scud missiles being fired at Israel and Saudi Arabia, the French magazine L'Express said Thursday. It said the French company Sagem sold more than 40 flight stabilization systems to Buenos Aires for use in Argentina's Condor-2 missile project, and some of them found their way to Baghdad. The report revived Israeli charges, denied in Paris, that France helped improve Iraq's Soviet-built Scuds. *(Reuters)*

■ **Mauritania called** for an urgent meeting of the UN Security Council to end the Gulf war. In a statement published in the Mauritanian capital, Nouakchott, Foreign Minister Hasni Ould Didi said the Security Council should act as "a force for peace and not an instrument to legitimize the war." *(Reuters)*

U.S. Mail Stops Sending Packages Aboard Airliners

Washington Post Service

WASHINGTON — The U.S. Postal Service has stopped shipping millions of packages across the country on passenger planes because of increased concerns about terrorism, according to the airline industry.

The Postal Service has told airlines that any parcel heavier than 16 ounces (about 450 grams) that is not screened by airport security procedures will not be loaded on passenger planes, said William E. Jackman, spokesman for the Air Transport Association.

Under normal circumstances, packages are "not screened unless for cause," Mr. Jackman said. The airlines "are taking a look at whether they can handle screening the stuff" or whether the Postal Service should be required to screen the parcels before they are loaded, he said.

The packages that ordinarily would be sent in the luggage compartments of passenger planes are to be flown on contracted cargo planes or transported by truck.

Neo-Nazis Called Ready To Aid Hussein's Fight

United Press International

FRANKFURT — Several hundred German neo-Nazis are getting ready to join Iraq in the Gulf war against the multinational force, a leading far-right radical said in a radio interview.

"We will easily get 500 people together," said Michael Kühnen, 35, the former leader of a now banned neo-Nazi group. He told Radio Bremen that many former members of the East and West German armies and foreign mercenaries had volunteered to fight for Iraq to strengthen ties between Arab and European nationalists.

Bush Praises Germany For $5.5 Billion Pledge

Reuters

BONN — President George Bush on Thursday welcomed Germany's readiness to help pay U.S. and British war costs and to bolster Turkish and Israeli defenses against Iraqi attack.

In a letter to Chancellor Helmut Kohl, Mr. Bush said he was pleased by Bonn's pledge of new financial and material aid to the multinational Gulf coalition and Israel.

Mr. Kohl, who had been criticized for playing a low-key role in the war effort, on Tuesday pledged $5.5 billion to Washington and said he would send Patriot air defense missiles and nearly 600 German airmen to Turkey, its ally in the North Atlantic Treaty Organization. He also has promised to send Patriot missiles and other aid to Israel.

The opposition Social Democrats in Germany accused Turkey on Thursday of using the war to try to increase its power and warned the government in Bonn not to fight in defense of Turkey without the approval of the parliament.

The Social Democratic leader, Hans-Jochen Vogel, dismissed a charge by President Turgut Ozal of Turkey that Germany was an unreliable NATO ally whose wealth had undermined its willingness to fight.

"The Turkish president would do better to heed the warnings of the Turkish opposition and the Turkish Army," Mr. Vogel said in parliament, "and avoid giving the impression that his main concern in this critical situation is to increase his area of influence."

Mr. Vogel said that Turkey's apparent desire to play a policing role in the Gulf region should be watched closely. He criticized Mr. Kohl's decision to send military aid to Turkey to back up the 18 fighter aircraft deployed in that country.

■ **$535 Million for U.K.**

Germany will make a $535 million payment to Britain to help defray British expenses in the war, Foreign Minister Hans-Dietrich Genscher said Wednesday night, The New York Times reported from Bonn.

Mr. Genscher announced the contribution after meeting in Bonn with the British foreign secretary, Douglas Hurd. He described the aid as a "sign of our commitment to helping our friends."

Italy Replaces Gulf Admiral

Reuters

ROME — Italy on Thursday named Rear Admiral Enrico Martinotti as the new head of its Gulf naval force to replace Rear Admiral Mario Buracchia, who was forced to resign after saying that economic sanctions should have been given more time and that the war could have been avoided.

Journalist Says He Was Held and Beaten by Iraqis

Reuters

LONDON — A free-lance journalist, Bruce Cheesman, who had been missing since the day the bombing of Baghdad started, wrote Thursday that he was mistaken for a U.S. pilot and arrested by Iraqis who imprisoned and beat him.

Writing in the London Evening Standard, one of the papers he was working for from the Iraqi capital, Mr. Cheesman, an Australian, said he ran out of his hotel to search for a telephone shortly after the allied bombardment began Jan. 17.

"Turning into a small road I was suddenly gripped from behind by a soldier," he wrote. "He pinned my shoulders and spun me round and other soldiers came running up when he said 'American pilot, American pilot.'"

Mr. Cheesman, 35, said he was taken to a military compound that he later discovered was the Iraqi Air Force High Command. His only means of identification was a telex card. He also had $2,500, which he said the Iraqis took.

He said he was handcuffed, blindfolded and moved from one location to another and could hear the bombs falling on Baghdad. During one interrogation he was beaten on the neck whenever he tried raising his head.

He was allowed to leave four nights later after the Ministry of Information confirmed his identity.

WAR IN THE GULF: The Gulf statement in Washington says more about superpower relations than about the Middle East

Israeli Unveils Plan For Postwar Talks With Arab Nations

By Jackson Diehl
Washington Post Service

JERUSALEM — Israel will not be willing to negotiate a solution to the Palestinian issue after the Gulf war unless it can simultaneously open direct, bilateral peace talks with Arab states, Foreign Minister David Levy said Thursday.

Mr. Levy, outlining a five-point policy for a postwar settlement, indicated that Israel would resist any move by the United States and Soviet Union to jointly structure a comprehensive solution to the Arab-Israeli dispute, especially if the initiative involved an international conference.

Moreover, Mr. Levy insisted, no peace process would be possible unless the war ended in a complete Iraqi defeat and the downfall of President Saddam Hussein.

"It's clear that if the world is not rid of this regime with all its military potential, the world will be in constant danger," Mr. Levy said.

The minister's outline of policy implicitly clashed with the text of a U.S.-Soviet declaration issued Tuesday, which offered Mr. Hussein a cease-fire in exchange for withdrawal from Kuwait, and pledged a joint effort by the superpowers to resolve the Israeli-Palestinian dispute after the war.

But Mr. Levy expressed confidence that the Bush administration also intended to eliminate Mr. Hussein's regime, although the White House has never stated that goal explicitly. He said he had been assured that the U.S.-Soviet statement represented no change in U.S. policy, and added that he expected that Washington would be open to his initiative after the war.

"We can work with the United States," he said.

Mr. Levy's plan, drawn up since he took office in June in a new, rightist government, differs substantially from the last Israeli peace plan, put forward by Prime Minister Yitzhak Shamir in May 1989. That five-point framework also called for direct talks between Israel and Arab states, but it did not link them directly to Israeli-Palestinian negotiations.

The new plan also begins with an Israeli demand that Arab states unilaterally announce an end to the state of belligerency that all but Egypt have maintained with Israel since its foundation in 1948. It suggests, in addition to Arab-Israeli and Israeli-Palestinian talks, "an agreement on supervision of the arms race," and provision for joint development projects in the Middle East financed by the United States, European Community and Japan.

"We are speaking about a new order for the Middle East," said Mr. Levy, 53, a veteran of the ruling Likud party who aspires to succeed Mr. Shamir as prime minister. "That means we have to leave behind the anachronistic forces that brought war on us. First of all, that is the state of war between Israel and the Arab states."

Mr. Levy's plan has yet to be adopted by the coalition government, and some officials expressed doubts about whether it would be acceptable either to Mr. Shamir or to the far right parties in his cabinet.

Still, Mr. Levy's conditioning of Israeli-Palestinian negotiations with progress on the broader Israeli-Arab dispute seems likely to be a central theme in Israeli postwar policy. Mr. Shamir has backed the linkage in several public statements.

A yearlong effort by Mr. Bush and Secretary of State James A. Baker 3d to implement Israel's last peace plan broke down in March, when Mr. Shamir rejected a Baker formula for Israeli-Palestinian talks. The talks were to have centered on how to carry out Mr. Shamir's proposal for elections in the occupied West Bank and Gaza Strip and subsequent establishment of Arab self-rule. Mr. Levy himself was one of the most vocal opponents of both the elections plan and Mr. Baker's attempts to implement it.

Mr. Levy said, "Once we start face to face negotiations with the Arab countries, we will at the same time negotiate with the Palestinians."

He said that he now could accept Mr. Shamir's election plan, which dates from the 1979 Camp David peace accord between Israel and Egypt, and added that if the Palestinians accept the Israeli initiative, then "certainly there will be elections."

He also said that he would be willing to return to previous peace talk formulas under which Palestinians from the territories would negotiate with Israel jointly with Jordan.

"There could be a framework of a delegation between them and the Jordanians," he said. "Israel is offering several options, and they can decide. They can can choose their own delegation, that can sit with us, or sit with us together with a joint delegation. It can be with or without Jordan."

Sari Nusseibeh, charged with spying for Iraq, being led from a police van in Jerusalem on Thursday.

Palestinian's Jailing Assailed

To Israeli Right, Term Is Mild, but Left Sees It as Unfair

By Joel Brinkley
New York Times Service

JERUSALEM — Israeli officials of the left and right have expressed strong dissatisfaction with the arrest of a prominent Palestinian political leader on charges of spying for Iraq.

Israeli officials of the political right said the Palestinian, Sari Nusseibeh, a professor at Bir Zeit University, should have been expelled, not just sentenced to six months in jail without formal charge or trial.

But leftist politicians complained that if the government had compelling evidence that Mr. Nusseibeh was a spy, then he should be put on trial and, if convicted, formally sentenced.

Palestinian leaders contended that the espionage charge was trumped up. Israel had been after Mr. Nusseibeh for years, his friends said, and grabbed the excuse of the Gulf war to imprison him.

In a statement issued from prison on Wednesday, Mr. Nusseibeh said:

"I categorically deny the government statement, and assert that I have never been or am now engaged in any intelligence gathering on behalf of any government or organization, and specifically that I gathered or provided information to Iraq. It seems that the authorities want to benefit from the present atmosphere of dehumanizing Iraq to justify my arrest, which came for totally different reasons."

Israeli officials asserted that Mr. Nusseibeh had passed on information to Iraq, through the Palestine Liberation Organization, detailing where Iraqi Scud missiles have landed, with the apparent aim of allowing Iraq to correct its aim with the next Scud volley at Israel.

His family vigorously denied the charge and noted that, like most Palestinians, he has been confined to his house since the war began. Israel apparently acquired whatever evidence it accrued by tapping his home telephone.

Elyakim Haetzni, a legislator from the conservative Tehiya-Zionist Revival Movement, said Mr. Nusseibeh and other PLO sympathizers were "agents of a country with whom we are at war."

"I'm amazed at the slow pace and bureaucratic way we are dealing with them as if we had all the time in the world," he said.

But Ephraim Sneh, a Labor Party official, said: "If there is indeed hard evidence against Nusseibeh, I suspect that within days he will be brought to trial. If not, this means the intention was political."

■ France Condemns Arrest

France on Thursday condemned the arrest of Mr. Nusseibeh, saying it damaged the prospects of dialogue between Israelis and Arabs, Reuters reported from Paris.

"We deplore the arrest of Palestinian leader Sari Nusseibeh, which can only do harm to the dialogue that we feel is necessary," said Daniel Bernard, a Foreign Ministry spokesman.

He said the charges against Mr. Nusseibeh were ludicrous.

A Scud Hits the West Bank Harmlessly

By William Claiborne
Washington Post Service

TEL AVIV — An Iraqi Scud missile exploded in a desolate area of the occupied West Bank on Thursday night, reviving fears that Iraq was still capable of firing missiles at civilian population centers despite nightly allied air strikes against mobile launchers in Iraq's western desert.

The Israeli Army command said that no injuries or property damage was reported Thursday 28th Scud missile launched at night after the impact. It was the Israel in eight attacks since the day after the war began.

The army command refused to say exactly where the missile fell. A military source said the impact area apparently was in a largely uninhabited region of the Samarian hills between Tel Aviv and Jerusalem.

An army spokesman, Colonel Raanan Gissen, declined to say whether the Patriot batteries ringing the Tel Aviv area fired any rockets at the Scud. After a Scud explosion Monday night near the Arab village of Deir Ballut, a military spokesman said that no Patriots were launched because the Iraqi missile fell outside the normal range of interception.

The Israeli Army command also reported that Arab guerrillas in southern Lebanon fired dozens of rockets at Israel's northern border Wednesday night.

No injuries or property damage was reported.

U.S.-Soviet Horse-Trading

Both Sides Give a Little, Get a Little and Deny It All

By Thomas L. Friedman
New York Times Service

WASHINGTON — In many ways, the statement on the Gulf issued this week by Secretary of State James A. Baker 3d and Foreign Minister Alexander A. Bessmertnykh of the Soviet Union is much more revealing about current U.S.-Soviet relations than it is about the Middle East.

After three days of talks between Mr. Baker and Mr. Bessmertnykh, what appears to have taken place was some old superpower horse-trading, in which each side gave the other something, got something in return and denied publicly that anything new had happened at all.

Since the Gulf war began two weeks ago, the Bush administration has been watching with anxiety the cease-fire proposals various Third World countries and nations espousing nonalignment have been introducing at the United Nations.

The State Department had been concerned that the Soviet Union — with Eduard A. Shevardnadze no longer foreign minister, and with the Soviet military, which still seems friendly toward the Iraqis, on the ascendancy — might get behind one of those stop-the-fighting proposals, thereby fracturing the anti-Iraq coalition.

Those fears were heightened on Saturday when Mr. Bessmertnykh, before leaving for his talks in Washington, spoke about Moscow's concern that the United States was trying to "destroy" Iraq.

It also seemed to be a subtle signal by Mr. Bessmertnykh that if the White House was going to give the Kremlin trouble on the Baltics, the Kremlin would make life difficult for Washington in the Gulf.

There was therefore a strong desire in the State Department to get Mr. Bessmertnykh's agreement to something that would keep the Soviets in line with Washington on the next major diplomatic issue in the Gulf: Under what conditions should the U.S.-led coalition cease firing if Iraq promises to leave Kuwait?

The joint statement did that, State Department officials say, by committing the Soviets to support a cease-fire proposal only if it was formally linked to a total Iraqi withdrawal from Kuwait.

The statement says that "a cessation of hostilities" would be possible only if the Iraqis made an "unequivocal commitment" to withdraw from Kuwait "backed by immediate concrete steps" leading to a full withdrawal.

In other words, there can be no long pause in the war to give Iraq a chance to reconsider, and possibly regroup its forces.

Some administration officials believe, though, that Mr. Baker, in his eagerness to keep the Soviets on board with Washington's overall war policy, accepted certain other language in the statement demanded by Mr. Bessmertnykh — meant to mollify the Soviet Union's own Muslim population and its Arab allies — that has raised the hackles of Israel and prompted questions about the administration's real diplomatic plans for the Middle East.

In particular, the officials point to the references in the statement that hint at linkage between a settlement of the war and renewed diplomacy to resolve the Arab-Israel dispute, which have upset Israel's prime minister, Yitzhak Shamir.

While none of this language is a departure from previous American statements on this subject, putting it into a Soviet-American communiqué about ending the war has certainly left the impression that Washington was tacitly offering Iraq a link between its withdrawal from Kuwait and a settlement of the Israeli-Palestinian conflict, even though administration officials deny this.

The Soviets certainly behaved as though they got more than they gave. While many administration officials spent the day distancing themselves from the joint statement, the Soviet press agency Tass said it was a matter of "particular gratification" for Moscow. Tass said the statement marked "yet another switch" in the American stand on the Arab-Israel dispute.

[On Thursday, however, the Soviet Foreign Ministry spokesman, Vitali Churkin, said he saw in the joint statement no U.S. "softening of demands on Iraq that it withdraw from Kuwait," Reuters reported from Moscow.

["The United States and the Soviet Union have stated what their attitudes are and have appealed jointly to Iraq again saying what it should do to end the hostilities and bloodshed," Mr. Churkin said.

[He also said that although the two countries had agreed to work toward a resolution of the Arab-Israeli conflict, the two sides in no way meant to link that issue with the Iraqi invasion of Kuwait.]

With the president and the secretary of state constantly speaking about a "new order" in the Middle East, and joining with the Soviets in commitments for peacemaking in all Middle East conflicts, they may be raising expectations that cannot and will not be met.

Given the way in which many Palestinians have applauded Iraq's Scud missile attacks on Israel, the idea that there will be great peace opportunities after this war strikes many analysts as fanciful.

Nevertheless, the joint statement said, "Both ministers agreed that in the aftermath of the crisis in the Persian Gulf, mutual U.S.-Soviet efforts to promote Arab-Israeli peace and regional stability, in consultation with other parties in the region, will be greatly facilitated and enhanced."

Soviet Aide Fears Spillover in Azerbaijan

Reuters

MOSCOW — A senior Soviet officer said in comments published Thursday that he feared the war in the Gulf could spill over onto Soviet territory if the United States resorted to more powerful weapons against Iraq.

"Even if we discount the idea of an intentional nuclear strike, one cannot exclude a simple accident, a computer error or sabotage," Major General Sergei Bogdanov was quoted as saying in the Defense Ministry newspaper, Krasnaya Zvezda. "There is no guarantee that in such circumstances the situation can be kept under control."

General Bogdanov, the head of the General Staff's Operations Research Center, said the military leadership "is closely watching developments in the Gulf."

The Soviet Republic of Azerbaijan is about 250 kilometers (150 miles) from Iraq.

The U.S.-led alliance has used only conventional weapons in its war against Iraqi forces. But General Bogdanov quoted Western experts as saying that U.S. commanders had plans to use small nuclear arms against Iraq if President Saddam Hussein used chemical weapons.

STRATEGY: *War From the Air Is a Slow Process*

(Continued from page 1)

percent of the Iraqi Army's weapons and war supplies over a period of three to four weeks, softening up the Iraqis for any possible ground attack.

"Now that is enough to seriously disorganize Iraqi ground forces," the Pentagon official said. "It will not make a walk in the woods for our guys who have to go across and clean that mess up. But a 50 percent destruction level will mean essentially the end of organized resistance that you can expect to be effective."

How much damage direct air attacks on the ground forces have inflicted was a question that General Schwarzkopf said he could not yet definitively answer, despite anecdotal evidence that some of the Iraqi troops were cut off from food and supplies.

In addition to efforts to sever supply lines, the impact of dozens of B-52 bombing runs, which have rained thousands of tons of explosives directly on the elite Republican Guard in southern Iraq and Kuwait, is the central factor in determining how quickly the Iraqi Army deteriorates, and, by extension, how long and costly a ground war might be.

While some air-power advocates continue to hope that a ground war can be avoided, U.S. Army officials, Marine Corps officials, and senior U.S. intelligence officials said they believed that a ground war was virtually inevitable, despite the statistics about tons of bombs struck and targets destroyed.

As the recent ground attacks showed, even relatively small-scale land warfare has potential to cause far more casualties than the air campaign.

About a dozen Marines were reported killed in the first few hours of ground fighting near the Saudi Arabian border town of Khafji. In contrast, seven American pilots were taken prisoner and seven listed as missing as a result of two weeks of air warfare in which the United States dominated the airspace over Iraq and struck vital command centers.

By mounting its recent offensive ground actions, Iraq may have been trying to change the political dynamics of the war, in which the allied forces have punished Iraq with relative impunity.

But despite the ferocity of the localized ground fighting near the front, Pentagon officials do not see Iraqi's ground assault as a major attack that has shifted the military initiative to Baghdad.

Rather, Pentagon officials said they believed the Iraqis were trying to accomplish several different ends, some political and some military.

Politically, the attack was seen as an effort by Mr. Hussein to bolster the morale of his troops by showing that he has the capability to bloody the Americans.

Militarily, Pentagon officials see the action as an effort by Iraq to probe and test the fighting skills of its adversary. Without spy satellites or sophisticated intelligence capabilities, the best way for Iraqi troops to take the measure of the Americans is to engage them in small attacks.

Further, Iraq may also be trying to drag the Americans into an early ground war, a course of action that Washington seems determined to resist.

Rather than launch an early ground attack, as Mr. Hussein may want, the United States and its allies intend to proceed with the air campaign methodically.

Having stuck command and communications centers, nuclear and chemical weapons development plants and air-defense systems, the United States is focusing more on bombing the Republican Guard, ammunition dumps and roads, bridges and rail lines that have enabled supplies to travel to Iraqi forces in Kuwait and southern Iraq.

Much of General Schwarzkopf's presentation was intended to document the systemic strangulation of Iraqi forces, which is intended to lead to their weakening or collapse.

While critics have noted that bombing by B-52s had limited effectiveness during the Vietnam War, General Schwarzkopf, a Vietnam veteran, said that the movement of supplies in the desert region presented far more vulnerable targets, asserting that Iraqi efforts to repair their supply lines would not be effective.

"What they got is what they got," the general said, suggesting that many of the Iraqi forces were now virtually cut off from receiving supplies from the north.

And while Iraq may undertake further probing ground attacks, the general responded with the threat of even more punishing American blows, like pounding the entrenched ground troops from the air.

General Schwarzkopf added, "With regard to Saddam Hussein's saying that he has met the best that the coalition has to offer, I would only say that the best is yet to come."

The Analysts' View: Day 15

Four strategists pick the major development in the last 24 hours of the war.

Robert E. Hunter | François Heisbourg | Ze'ev Schiff | Abdul-Karim Abou-Nasr

ROBERT E. HUNTER
Vice president of the Center for Strategic and International Studies in Washington.
The onset of the ground war is leading to fresh discussion of U.S. war aims. The Bush administration insists that the Baker-Bessmertnykh statement does not compromise on demands for full implementation of UN resolutions. But a large part of another key U.S. goal — trammeling Iraq's future military potential —has been achieved. If casualties rise significantly, the United States may be less opposed to an outcome that would leave any remnant of Iraqi leadership intact. Any initiative, however, must still come from Iraq.

FRANÇOIS HEISBOURG
Director of the International Institute for Strategic Studies in London.
Iraq's attack on Khafji has drawn into combat Saudi and Qatari forces, thus probably ensuring the full and active participation of these Arab forces in the ensuing phases of the ground war. This follows the use of Scud missiles against the civilian populations of Saudi Arabia. Instead of splitting the Arab participants from their western allies, the Iraqi actions have been giving the coalition greater cohesion and communality of fate and purpose.

ZE'EV SCHIFF
Military editor of the Tel Aviv daily Ha'aretz.
The two sides in this war have different timetables. Iraq wants to move up the land battles and shorten the phase of the aerial assault, which it has already lost. This is the reason behind its cross-border raids, which have been unsuccessful from a military standpoint but a victory from a psychological one. The Allies want to postpone the land war in order to keep striking at Iraq's forces and military infrastructure from the air, thereby minimizing their losses once the ground assault begins.

ABDUL-KARIM ABOU-NASR
Editor and political commentator with leading Arab publications since 1965; now working with a Kuwaiti daily, Al Qabas.
Saddam Hussein's objective is a six-week war of attrition that could bring a military lull and a new political context. Mid-March ushers in the Muslim month of fasting, Ramadan, followed by the season of pilgrimage to Mecca and worsening climatic conditions in Saudi Arabia. The combination could influence allied forces to curtail the scale of their offensive. That might open the way to a negotiated settlement. But Iraq has limited military means to reach that point. And the allies have a different agenda.

Iraq Aims for Political Payoff

Allies Say Military Gains From Ground Attacks Are Few

By Joseph Fitchett
International Herald Tribune

PARIS — Iraq's launching of attacks by its ground forces into Saudi Arabia is mainly aimed at political and psychological gains with little military payoff, analysts said Thursday.

The analysts' comments echoed statements by allied commanders about the Iraqi incursions.

By seizing the initiative, Iraqi commanders hope to boost the morale of their troops and perhaps fire the imagination of sympathizers in the Arab world, experts said. They discounted speculation that the attacks might succeed in stampeding the allies into a premature ground assault.

Asked about reports that thousands of Iraqi troops were massing for a major attack from Kuwait, analysts said that a concentration of infantry and armor would offer a vulnerable target that allied air power should be able to decimate.

"It should be meat and drink for the air forces," said Andrew Duncan of the International Institute for Strategic Studies in London.

Equally confident predictions came from a U.S. military spokesman in Riyadh, who said that if the Iraqis "are looking for a set-piece battle, they are going to lose."

He declined to comment on reports that Iraq was assembling five or six divisions — up to 60,000 men — around the southern Kuwaiti town of Al Wafra, apparently in readiness for a major strike into Saudi Arabia. The reports said pilots sighted up to 1,000 Iraqi vehicles moving south in Kuwait toward the Saudi border.

Any military significance in Iraq's incursions, Mr. Duncan and government experts said, is mainly their value in locating the strength of allied ground forces around Kuwait and helping Iraqi commanders — who have no aerial reconnaissance — anticipate the main thrust of an allied assault on Kuwait.

The bulk of U.S. and British tanks and other armor, which will provide the cutting edge of an allied offensive, may already have vacated the area directly south of Kuwait where the Iraqi operations are concentrated.

NEWS ANALYSIS

These heavy allied forces, several experts said, could now be farther west in Saudi Arabia at a logical staging area for any attack through southern Iraq. That plan would seek to outflank the elaborate Iraqi fortifications on the southern border of Kuwait and cut off the Iraqi Army there.

If a plan along these lines is under way, the zone of Saudi Arabia adjacent to the Gulf — where the combat has centered so far — may now be defended mainly by Arab troops backed by Marines with artillery, U.S. paratroopers with anti-tank weapons and allied air power.

Those troops were credited Thursday with recapturing the Saudi border town of Khafji from an Iraqi force described by the U.S. military spokesman as a "reconnaissance in force," apparently about 250 men. During a 48-hour battle for the town, mainly Arab forces repulsed an Iraqi relief force and captured more than 150 Iraqi soldiers, a U.S. military official said.

Even a breakthrough by Iraqi tanks would have little military importance, the experts said.

"They could keep on going south, but they would be knocked out if they did not run out of gas first," a French government analyst said.

Even a limited battlefield victory by Iraqi forces, however, could have strong psychological impact in the combat theater and perhaps wider political repercussions. These goals, considered paramount for Iraq as its military capability erodes, probably explain why the cross-border attacks are being ordered, the experts said.

"They are eager to show themselves and other Arabs and perhaps the rest of the world that they have fight left in them," Mr. Duncan said.

Allied spokesmen treated the combat at Khafji as a skirmish, and a French spokesman called it a "crude attempt to trick us into launching a ground attack on their terms and not ours," but Baghdad radio hailed the operation as the start of "a thunderous storm blowing on the Arab desert."

Iraq, the radio said, "has started changing the direction of the battle by using new elements of its power, capability and battle superiority on the ground."

A U.S. military spokesman in Riyadh said that Iraq's ability to move a company-strength unit 10 miles (about 15 kilometers) into Saudi Arabia did not signal any weakness in allied systems of early warning for ground fighting.

He implied that allied forces were more alert to the possibility of Iraqi probes in areas of greater military significance than the no-man's land between the two battle lines, where Khafji is situated.

POWS: *Woman May Be Detained*

(Continued from page 1)

Saddam Hussein, and we would hope that that would not be the case."

The speaker of the House of Representatives, Thomas S. Foley, reacting to the report of a woman missing, said that any mistreatment of prisoners and increased U.S. casualties would "intensify the feeling in the country, but not necessarily against the war."

"I think it will go against Saddam Hussein," he said.

Although about 28,000 women are believed serving with U.S. forces in the Gulf, U.S. law and military regulations bar women from "routine engagement in direct combat."

This would appear to rule out the capture of women in battle, unless Iraqi forces surprised allied units, which U.S. military officials have denied.

U.S. officials have said that no American ground units were involved in the Khafji fighting.

Many women assigned to the Gulf are assigned to logistics, maintenance, intelligence and communications teams. Some are assigned to Patriot missile batteries. Some medical units in the Gulf are half female.

Although some of these roles keep women far behind the front, others do not. Women are involved in operating supply lines, which could be primary enemy targets.

According to a recent independent U.S. study, 20 percent of Marine Corps jobs are open to women, while 97 percent of air force jobs are open.

The report of a missing female soldier raised the prospect of a captured American woman being displayed on Iraqi television, as Baghdad did with downed allied pilots.

Nothing in the war so far has angered President George Bush and the allied commander, General H. Norman Schwarzkopf, more than the apparent mistreatment of allied prisoners.

The Iraqi radio report did not give a number for the prisoners that Baghdad said had been captured. It said the prisoners would remain in Khafji with Iraqi forces until further notice.

Soon after the Gulf crisis began in August, there were reports that the Pentagon was reluctant to send women to Saudi Arabia, where law and culture severely restrict the rights and activities of women.

But many enlisted women demanded equal treatment, in part because they worried that their male colleagues would resent their special treatment.

BOMBERS: *British Base*

(Continued from page 1)

supporting the continuing Iraqi occupation of Kuwait."

"It is a temporary application," he explained later, "and we have an absolute assurance that they will only use conventional munitions operating from that base."

The British government had readily agreed to the request because Fairford was "an established forward operating base for B-52s," he said, adding that one other country had also agreed to base B-52s on its territory. He did not identify the second country.

Mr. Major reaffirmed that U.S. and British war aims had not changed since hostilities began, despite speculation about the meaning of a joint U.S.-Soviet statement issued in Washington on Tuesday. That statement said that attacks on Iraq would end if it gave an unequivocal commitment to pull out of Kuwait and immediately began doing so.

French Group Confirms It Built Iraqi Bunker

United Press International

PARIS — The French construction group Bouygues SA has acknowledged that it built an underground bunker beneath a luxury apartment complex near the presidential palace in Baghdad.

A spokesman said that the bomb shelter, built from 1981 to 1983 during the Iran-Iraq war, was constructed under a complex of 760 luxury apartments it put up for high-ranking civil servants.

WAR: *Iraqis on Move*

(Continued from page 1)

border fighting to 11, from 12. Two U.S. soldiers, a man and a woman, were reported missing.

British forces in the Gulf disabled a second of Iraq's three 82-meter (267-foot) amphibious landing craft Thursday, according to a press pool report.

An Iraqi military communiqué said that U.S. air forces carried out 101 raids Wednesday night and Thursday and fired several missiles.

It said that anti-aircraft batteries brought down 13 allied planes or missiles, bringing to 307 the number of enemy "aerial targets" it says it has destroyed.

(Reuters, AP, AFP, NYT)

هكذا من الاصل

After the ANC-Inkatha Pact, New Clash Kills 8 and Hurts 60

Compiled by Our Staff From Dispatches

JOHANNESBURG — Eight people were killed and 60 wounded in a battle between black groups less than two days after Nelson Mandela and leaders of the Inkatha Freedom Party concluded a peace agreement, the police said Thursday.

A police spokeswoman said the clash, which erupted at the Natal township of Umgababa, involved thousands of African National Congress and Inkatha supporters.

Army and police reinforcements were sent to the township on Thursday, where at least 150 houses were damaged as groups fought with spears, knives and guns late Wednesday, the police said.

Inkatha officials said they were investigating the fighting.

"We are still waiting to hear from our people in Natal," an ANC spokesman said. "The situation seems very confused and we don't even know if our members are involved."

The police said the fighting later died down and security forces were managing to keep the township under control. They said the fighting started at a railroad station and then spread through the township. At least eight bodies were found and there was widespread looting.

Mr. Mandela, the deputy president of the ANC, and Mangosuthu Buthelezi, the Inkatha leader and Zulu chief, announced a peace accord on Tuesday to end the fighting between their supporters that has claimed several thousand lives in recent years. The agreement was reached in Durban, just a few kilometers from Umgababa.

It was the first meeting between Mr. Mandela and Chief Buthelezi in 28 years.

Despite the euphoria produced by the meeting, officials warned that the supporters, not the leaders, were the ones who had to be persuaded that thw violence must end. They said the message of reconciliation would take time to filter down to the townships. *(AP, Reuters)*

■ Call for Protest

Christopher S. Wren of The New York Times reported from Cape Town:

The ANC and its allies have called upon supporters to stay away from work and join demonstrations to protest the opening Friday of Parliament, from which the black majority remains excluded.

But plans for a march on Parliament by thousands of opponents of apartheid suffered a setback when Mr. Mandela canceled an appearance and speech. ANC officials attributed the 72-year-old leader's withdrawal to a heavy schedule and the resulting strains on his health.

The marchers plan to deliver a petition to Parliament pressing for the nonracial election of a constituent assembly to draft a new constitution and an interim government to supervise a transition to majority rule, among other demands.

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AIDS Outlook Jolts Uganda Toward Condom Use

By Jane Perlez
New York Times Service

KAMPALA, Uganda — When President Yoweri Museveni was shown a computerized slide presentation with mathematical models that projected how Uganda would look in the future if nothing was done to stem the AIDS epidemic, he immediately reversed a long-held position. The president urged Ugandans to use condoms.

Until his change of heart in November, Mr. Museveni, the frankest of African leaders on the subject of AIDS, had opposed condoms as an AIDS prevention measure on the ground that they encouraged promiscuity. But after the grim prediction, he apparently felt he could no longer afford to be prudish.

The analysis was done by a U.S. demographics consulting concern, the Futures Group, and was presented to the president by the U.S. ambassador to Uganda, John A. Burroughs Jr. Two aspects seemed to jolt Mr. Museveni, those familiar with the study said.

First, the numbers were chilling. The bleakest prognosis — that is, if the epidemic continued at its present rate and no efforts were made to halt it — showed that instead of having a population of 32 million in the year 2015, Uganda would have only 20 million people, said John Stover, the Futures Group analyst who conducted the research. Uganda's population is now about 16 million.

Mr. Stover, who explained much of the information to Mr. Museveni, said the predicted loss of 12 million people between now and 2015 combined people who would die from AIDS and those who would never be born.

The second aspect of the slide show that shook Mr. Museveni was the conclusion that although Uganda had done well in disseminating information about AIDS, there appeared to be little connection between education and change of sexual behavior. A lot of people knew about AIDS but had done little to change their ways.

In short, the presentation suggested that Uganda had to do more than just educate its people.

Another wrenching figure was announced by Mr. Museveni himself. He said at a rural gathering several days after seeing the projections that 5 million to 6 million Ugandan children would be orphans by 2010 because their parents would have died from AIDS.

At present, the Ugandan AIDS Control Program estimates that 1.2 million people are infected with HIV, the virus said to cause AIDS.

Among the three most effective ways of curbing the epidemic, according to the analysis, is to increase the use of condoms. The others are to reduce the number of sexual contacts by AIDS-infected people outside their marriages and to control the high prevalence of sexually transmitted diseases.

"You need to be acting on all three fronts," Mr. Stover said. "With a mixture of these three you could have a major impact on future infections."

But Mr. Stover, along with Ugandan doctors specializing in AIDS and other Ugandans, warned that little was known about how to bring about such radical behavioral change in an impoverished, poorly educated society.

To outsiders, the distribution of condoms might seem the simplest solution. But Ugandan doctors, as well as other Ugandans, are skeptical that condoms, which they point out are not particularly popular in the West, can be easily accepted in a society that regards them as culturally alien.

So far, condoms have been officially available in Uganda only in family planning clinics and some pharmacies. In all, AIDS experts say, probably no more than 10 million condoms have been brought into the country since popular awareness of AIDS grew about five years ago.

But 10 million condoms, in a country where 650,000 to 2 million acts of sexual intercourse are estimated to take place each day, is a pitifully small number, Ugandan doctors say.

"Condoms are like milk," said Dr. Elly Katabira, who runs the AIDS clinic at Mulago Hospital in Kampala. "Once you've drunk it, that's it. Once you've used a condom, it's finished. One chap was willing to give 2 million condoms. But unless you say we will supply condoms weekly for the next 10 years, it doesn't make sense."

Mr. Stover, too, is uncertain about the success of condom distribution, but he emphasizes that it is worth the effort.

"If you could get 20 percent of the highest-risk group using condoms," he said, "that would reduce the rate of infection tremendously."

To try to overcome the resistance and lack of knowledge about condoms, the U.S. Agency for International Development, which recently granted $12 million to Uganda for AIDS prevention, is financing market research on how best to sell and package condoms in Uganda.

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INTERNATIONAL
Published With The New York Times and The Washington Post

OPINION

The State of the War

The State of the Union is to Washington what the lighted ball is to New York's Times Square: the beginning of the new year. The political year that began on Capitol Hill on Tuesday night is already stunningly different than 1990.

When he opened his second year in office, President George Bush was still riding a golden chariot pulled by the twin steeds of peace and prosperity. Unprecedented peace, in fact, with democracy marching through Eastern Europe, generals driven from power throughout South America and apartheid crumbling in South Africa. And unprecedented prosperity, with the economy continuing to grow for an eighth straight year.

Not anymore. Economic contractions are now so sharp that even the president publicly pronounces the word recession. And peace, meanwhile, has yielded to the war that so painfully divides Americans. But this time around, unlike Vietnam, the divisions are not only between people but within them. Citizens who revile war also revile the barbarity of Saddam Hussein. Put off by the oversimplified postures of hawks and doves, they grope for a principled, limited position that resists aggression and also violence. Yet as recently as last week, the president was loosely enlarging his war aims.

To judge by the State of the Union Message and other recent policy statements, Mr. Bush has now come to recognize the need to articulate and, presumably, stick to limited objectives in a limited war.

On other subjects, the State of the Union speech clanked with banalities. ("We are a nation of rock-solid realism and clear-eyed idealism.") But the president devoted nearly half the address to the war, and that was notable for simple eloquence ("the hard work of freedom") and a statement of limited war aims.

The speech and the U.S.-Soviet joint communiqué, issued almost simultaneously, offer some reassurance to Americans who were afraid their president was starting to sound like a war lover.

As late as last week, Mr. Bush seemed intent on raising the stakes. Speaking to the Reserve Officers Association, he described four new goals beyond those enunciated in United Nations resolutions — to derail Iraq's nuclear weapons ambitions, to demolish the Iraqi war machine, to topple President Saddam Hussein of Iraq and, resisting any pause in the fighting, to go "all the way."

Even if desirable, those goals raise the alarming prospect of unlimited war to Americans who are just coming to terms with the reality of limited war. But before Congress on Tuesday night, Mr. Bush seemed more restrained. He welcomed sensible dissent. He noted how widely the war burden is shared, whether measured in pilots or billions. With feeling he said, "If we fight in anger, it is only because we have to fight at all." And it took only a few hours for the news of the first American combat deaths to give somber depth to his words, "Any cost in lives — any cost — is beyond our power to measure."

Explicitly, the president restated limited goals: "Our purpose in the Persian Gulf remains constant — to drive Iraq out of Kuwait, restore Kuwait's legitimate government and to ensure the stability and security of this critical region." Explicitly, he renounced any aim to destroy Iraq or leave it so helpless it could become a target for aggression.

Meanwhile, even as the president prepared to speak, his intimate colleague, Secretary of State James Baker, joined with the new Soviet foreign minister in issuing a statement that can be interpreted as opening, if only by a crack, a new door to peace.

Since the war began, the United States has been insisting the war would be prosecuted without pause. The joint statement, by offering a cease-fire if Iraq takes "immediate, concrete steps" to get out of Kuwait, could save lives on all sides.

The joint statement also commits Washington and Moscow to "promote Arab-Israeli peace and regional stability, in consultation with other parties in the region" after the war. By restating these goals now, the administration usefully preempts any effort by Saddam to take credit for a Middle East settlement.

The state of the union, 1991, is troubled, full of doubts at the beginning of a war. Tuesday's words offer a glimmer of hope about how to end it.

— THE NEW YORK TIMES.

On Track With Moscow

President George Bush spoke with obvious conviction in his State of the Union speech on the war in the Gulf, giving evidence that he has spent some time considering its moral aspects; he made, once again, his familiar case for U.S. intervention. His congressional and other governmental audience in the House chamber, including those who had and have misgivings about his policy, seemed at pains to express solidarity with the president.

In an odd way at least as relevant was the effort, more or less simultaneously announced, that the United States and the Soviet Union were now actively also trying to achieve some solidarity — trying to improve their cooperation in the Middle East. Tuesday evening's statement by the two foreign secretaries could deepen the capacity of their countries to work together in the Gulf now and in the broader region later.

A hint of a separate approach had appeared in the Soviet position on Iraq, and so it was useful for Secretary of State James Baker and Foreign Minister Alexander Bessmertnykh to get more clearly back on the same main lines of policy. Their talks also produced a new bid for a cease-fire in return for "unequivocal commitment" backed by "concrete steps" to Iraqi withdrawal from Kuwait. Israelis noted anxiously that they had not been consulted. But Saddam Hussein is being offered nothing not previously available to him except — a huge except — the opportunity to spare his country a war that is no longer a future threat but a daily reality.

The most intriguing words in the Baker-Bessmertnykh statement pledge a common postcrisis thrust to crank up a "meaningful" Mideast peace process. This entails a timely and necessary effort to elbow aside Saddam Hussein's claim to be the lone champion of the Palestinian cause — and to do this without acknowledging the direct linkage of Kuwait to Palestine under his patronage.

In appropriate concern for Israel, the new statement addresses some of its familiar anxieties. The statement assigns Soviets and Americans a central postcrisis role, as against the United Nations (unmentioned as a conference sponsor or anything else) and other parties (mentioned only in passing), and among prospective peace partners it cites "Arab states" and "Palestinians," bypassing the PLO.

President Bush, in his State of the Union address, reported new Soviet assurances to reopen dialogue and move away from violence in the Kremlin-inflamed Baltics. This is the specific issue that earlier this week forced cancellation of his February arms-control meeting with Mikhail Gorbachev. These latest Baltic and Mideast developments are pieces of a larger, deeply serious attempt by the two men to keep the new and faltering U.S.-Soviet relationship on track.

— THE WASHINGTON POST.

Modest Agenda at Home

The domestic sections of President George Bush's State of the Union address were aimed as much at deflecting action as at encouraging it. The president paid lip service to the agendas of both right and left — everything from empowerment to infrastructure and a national energy policy — but committed himself to very little.

In part that is a reflection of circumstance, but in part it bespeaks temperament and choice as well. The United States is both at war and in a recession, and to the extent that officials adhere as they should to last year's budget agreement, the government has no extra money. But Mr. Bush also gives the impression of being largely content with the domestic scene he surveys. He lists no urgent agenda of his own nor seems to think the public has one, and as to the public — a political judgment — he may be right.

The true-believing wing of his party wanted Mr. Bush to give a Reaganesque address: minimize taxes and government, and let America soar. There was a little of that: a bow toward growth, another toward tax cuts as the likeliest engine, references to such standbys as enterprise zones, tenant ownership of public housing and the "power to choose," presumably as in choosing your child's school. But the president, having said he continues to favor a capital-gains tax cut, suggested a study of the likely revenue effect; that would put the issue off. The budget agreement precludes most other tax cuts. He likewise set no goals on the path to empowerment, in which conservatives put so much store; these will be mostly demonstration projects. Like every recent Republican president, he said he would propose his own New Federalism; he would combine $15 billion a year in domestic programs into lump-sum grants to the states. But the programs remain to be specified, and he would only suggest a longer list from which Congress could choose.

The president repeated his last year's position on the civil rights bill — against both unfair discrimination and unfair preferences; said the attorney general would soon convene a "crime summit"; said his health care program would stress prevention; promised the "comprehensive national energy strategy" on which his aides have been unable to agree for 18 months; said the budget would both be constrained and promote "investment in ... children, education, infrastructure, space and high technology"; and even took a preemptive position on campaign finance reform. He continues to favor abolishing political action committees, but not imposing spending limits or providing for partial public financing.

It is a modest, in many respects defensive, agenda on the part of a president whose preoccupations are abroad, who inherited a large social deficit as well as budget deficit from the prior administration of which he was a part and who does not want at this moment to offend.

— THE WASHINGTON POST.

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Gorbachev at the Brink: A Crucial Choice Awaits

By Flora Lewis

PARIS — Despite diplomatic niceties, the central reason for calling off the Moscow summit meeting is the change in Mikhail Gorbachev's policies. Repression in the Baltic states is the most dramatic, but new police power, dawdling economic reform, and reversal on arms control treaties are also important.

President George Bush does not want to conclude that the honeymoon with Moscow is over, or that Mr. Gorbachev has renounced his faltering program. These are delicate times in the Soviet Union, a fork in the road. Things look bad, but it is not yet certain that the old, liberalizing Gorbachev has given way to the tough new dictatorship that Eduard Shevardnadze warned against in resigning as foreign minister. And Washington still needs Soviet political support, which is all it can get, in the Gulf war.

The reversal can be measured, however, by how much the atmosphere has deteriorated in only six months. If Saddam Hussein had waited until now to invade Kuwait, if Chancellor Helmut Kohl had let the drive for German unity drag on as originally projected, Soviet response almost surely would be less helpful than it was.

In foreign affairs, the change is clearest in crucial arms control talks. American negotiators are convinced that the troubles with the Conventional Forces in Europe treaty, signed by 23 states last Nov. 19, and the strategic arms reduction treaty, which was to be signed at the Moscow summit meeting, are not just technical or last-minute misunderstandings.

Evidence indicates an attempt by the Soviet military establishment to veto the disarmament policy, and to make Mr. Gorbachev pull back, even on treaties already signed. Most ominous is the claim to new, undefined exceptions on weapons to be destroyed under the CFE pact. This is even worse than the sneaky claim to have transferred much more equipment east of the Urals on the deadline date, Nov. 18, than was the case and continuing to ship it.

The exceptions claim would be a vast new loophole. Both Western allies and East Europeans flatly call it a fraud. It would make the treaty impossible to ratify. That seems to be the Soviet generals' point. They want to dump the treaty. They apparently prepared the sabotage in advance, but it was not really understood until December. It seems the Soviet Foreign Ministry found out no earlier than the West.

On strategic arms, points considered settled when Mr. Shevardnadze met Secretary of State James Baker last year in Houston have been reopened by Moscow. From being 98 percent complete, it is now given only a 50 percent chance of agreement and is losing support in both capitals. In Washington, Mr. Baker still wants the treaty, Defense Secretary Dick Cheney basically does not, the national security adviser, Brent Scowcroft, is uncertain, and Congress is cooling. There is opposition in influential parts of Moscow.

Even the German settlement is troubled. There are noises from Moscow that the treaty restoring sovereignty to a united Germany may not be ratified. This would endanger big cuts in German armed forces promised in a new round of negotiations scheduled to open in Vienna on Feb. 14. Nobody knows yet if the Soviet delegation will arrive and who will lead it if it does.

So far, Mr. Gorbachev is going along with what otherwise would be a strategic mutiny, presumably because he feels so much need for backing from the military and hard-liners to maintain control at home.

He may still hope to avoid the ultimate choice between keeping the Soviet Union as is, with the Communist system, or pursuing perestroika, glasnost, cooperation with the West, his whole revolution. But if he cannot waffle through, he has chosen to abandon his program.

Moscow cannot recover Eastern Europe, a divided Germany, or even unchallenged authority within its borders this way, let alone launch economic renewal. Mr. Gorbachev knows it. Still, he hopes to save the improved relations he won with the West in return. The vague pledge to withdraw some troops and renew dialogue with the Baltics was an effort to hold off a painful break.

President Bush said in his speech to Congress, "If it is possible, I want to continue to build a lasting basis for U.S.-Soviet cooperation, for a more peaceful future for all mankind ... " He too knows danger is coming.

It will not be just dashed hopes and a reversion to Brezhnev days but a tragedy for all. Mr. Gorbachev has little time left to make his biggest decision. That, if it is possible, is Mr. Bush's muted way of urging him to veer back to liberalism. Otherwise, Mr. Bush also faces a big decision, one he is trying to put off. He cannot save Mr. Gorbachev from himself, but he is right to go slowly. So much is at stake.

New York Times Syndication Sales.

When the Best-Case Scenarios Collapse, Try Realism

By William Pfaff

PARIS — President George Bush was assured by his military advisers that Iraq would collapse within two days of the start of bombing two weeks ago. I have that from a member of the Senate Foreign Relations Committee. Mr. Bush was told by President Hosni Mubarak of Egypt that the war would be over in two weeks. King Fahd of Saudi Arabia told him "two hours."

The public would seem to have been wiser. People wanted to believe that the war could be won overnight with laser weapons. But from the start there has been evidence of an inarticulate public dread that the United States faced exactly what the White House now says it does face: ground combat and a long war.

People still do not seem to understand that the long-war scenario is an optimistic scenario, in that it foresees eventual success for the coalition, with the possibility of a constructive political aftermath.

Higher-optimism scenarios exist, of course: that Saddam Hussein is removed by his entourage; or that the morale of his army shatters when the coalition's ground forces attack. However, these are pure speculation.

The pessimistic scenarios merely require that one take seriously what Saddam Hussein has said. And until now, Iraq's president has unfailingly told us what he would do.

He threatened Kuwait, and when Kuwait's royal family refused to give in, he invaded and seized the country. Despite the sanctions, threats and pleas, he has kept Kuwait — which all along he said he would do.

He said that if the UN coalition attacked him, he would attack Israel and Saudi Arabia. He has done so. He promised to set the oil fields and the sea afire, and he has begun to do both. He says he will use other nonconventional weapons if necessary. It would be foolish not to believe him.

He says that allied invasion of Kuwait or Iraq will produce "the mother of all battles." If his troops don't crack, why not? A half-million well-entrenched, well-equipped, experienced soldiers, if they are motivated, are a formidable opponent. Ask anyone who fought in Korea or Vietnam.

In mid-September I wrote that this war's resemblance was to Korea, not Vietnam. I see no reason to alter that judgment. The Korean War lasted three years, the last two of them murderous quasi-siege warfare along the 38th Parallel, while truce negotiations went on. Overall, there were at least 4 million casualties. U.S. losses were 54,000 dead and 100,000 wounded.

This war cannot last as long as the Korean War did, nor — one prays — produce casualties on that scale, so long as the blockade of Iraq holds firm (but it now looks leaky, on the Iranian border). Iraq is not self-sufficient; it cannot go on indefinitely. But the fighting could certainly be just as intense as in Korea, and continue for a considerable time.

The U.S. side owned the air in Korea, as it does over Iraq. The air force promised, but failed, to isolate the Korean battlefield. When rail and roads were destroyed, the North Korean and Chinese armies were provisioned by men and women walking down from the north with A-frames on their backs.

General Colin Powell, chairman of the Joint Chiefs of Staff, said last week of Iraq's army, "First we're going to cut it off, then we're going to kill it." Perhaps. It is not the first time that has been said, though. The air force promised to cut the Viet Cong off from its arms supplies. The United States invaded Cambodia and ran a "secret" war in Laos to cut the Ho Chi Minh Trail. It was never done. Where trucks could not go, men and women did, again with supplies on their backs, or pushing loaded bicycles.

To say all this invites gloom. It is meant to incite realism. If the president was indeed being told two weeks ago that the war would be over in 48 hours, realism has been in short supply. Let me suggest what the seriously pessimistic scenarios could look like:

Stalemate and failure: The U.S.-led ground offensive bogs down. Summer heat makes fighting all but impossible. Support for the war fades. Arab or European mediation gets some response from Saddam. We are forced to settle. Saddam survives.

Defeat: Exocet missiles take out a marine landing ship with all aboard. The coalition's ground invasion force is blunted by Iraqi defenses, with much blood-letting. The American home-front crumbles, or the coalition breaks up. This is Saddam's scenario.

General war in the region: Israel attacks on the ground to clear out the Scud missile sites, going through Jordan. Iran comes in the war on Iraq's side. Turkey becomes involved. Turmoil in Egypt, the Maghreb and elsewhere. This is not in the least unlikely.

Nuclear war: Iraq makes a nuclear, chemical or biological strike on Israel or the coalition forces. Or, Exocets, gas and other weapons inflict severe losses on the coalition's attacking forces. U.S. and/or Israeli public opinion demands and gets a nuclear retaliation. General world uproar.

But I won't go on. I'm sure that readers would rather not read more.

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Eventually, the Bill Will Have to Be Paid

By Hobart Rowen

WASHINGTON — President George Bush had an opportunity in his State of the Union message to level with the public about the probable costs of the Gulf war, and to ask for appropriate sacrifices. He did neither because he is still placing all his bets on a short, swift war that can be supplied out of existing inventories with minimal loss of life.

The nation fervently hopes he is right. But Saddam Hussein may not cooperate, and the president ducks his responsibilities when he fails to point that out.

In his address, Mr. Bush gave only minimal attention to the need for a serious energy program to diminish America's excessive consumption of oil and dependence on imports.

But why not a gasoline tax to do double duty — to cut consumption and raise revenue? Why not, if Mr. Bush is not ready for a Gulf surtax, a Gulf War Bond campaign to involve a public untouched except for its armed forces and their families?

The United States can and will sustain whatever the price turns out to be. But Vietnam should have taught us that the worst public policy is to underestimate true costs, then delay paying the bills.

Neither Mr. Bush nor the Defense Department has given Congress any accounting of actual spending so far, nor any official estimate of what the war could ultimately cost. On television last weekend, the budget director, Richard Darman, said most of the cost of a 60-day war would be covered by contributions from the allies, leaving American taxpayers to pick up a piddling $15 billion check. If you buy that scenario, I have a nice bridge I can sell you, cheap.

Military officials privately concede that unless Mr. Bush scales down his goals, this war could last months.

As noted by Walter S. Mossberg in The Wall Street Journal, there is likely to be a need to replenish the inventory of high-tech weapons such as the now-famous Patriot missiles. One military planner told The Washington Post, "Some nights, we use up a full day's production of Patriot missiles on one Scud."

And Saddam, with his reinforced bunkers, oil spills and other surprises, has made sure he can exact huge American casualties in a land war. The Congressional Budget Office puts the number as high as 45,000.

No one knows the price of the ecological rehabilitation of the Gulf, but it is bound to be enormous. Clearly, the oil spill, like the Scud attacks in Israel and Saudi Arabia (the eight-day cost to Israeli GNP was $400 million), are shrewd tactical blows calculated to divert and waste allied resources.

The Congressional Budget Office guesses that a war lasting from one to six months would add $86 billion to the budget deficit. Mr. Darman's recent estimate was based on $500 million a day, or $15 billion a month. But suppose the cost runs higher?

There are other uncertainties involved, including Soviet aggression in the Baltic states. That puts in limbo the Defense Department's plan for a major reduction in military forces.

And who knows the price tag for postwar rewards to the allies? The United States will be presented with huge bills for reconstruction and loss of income from Israel, Egypt, Turkey, Syria and — if it manages to switch to the right side in time — Jordan.

The Washington Post.

Yugoslavia: Tragic Cleavages

AS HAS so often been the case in modern history, the Serbian and Croatian peoples have been flirting with a bloody civil war.

The Serbian-dominated national army and the Croatian militia have appeared recently to be preparing violence against each other, and terrorist actions are in the air. Croatia and Slovenia want a Yugoslavia made up of loosely allied sovereign states, not the centrally ruled federation desired by the Serbs.

The Orthodox Serbs are more numerous and traditionally quicker to resort to violence. (Not that turbulent action is unnatural to the Croatian personality. Marshal Tito, who headed the greatest guerrilla movement in Europe during World War II, was born at Kumrovec, near Zagreb, the state capital of Croatia.) The Serbs have been more pro-Russian than some other people in modern Yugoslavia, and their Orthodox version of Christianity has rarely been friendly to the Roman Catholicism of the Croats. The Slovenes, far smaller in number, are also Catholic.

It is sad that today's Yugoslavia — with the enormously pressing economic problems it faces — should still be riven by the bitter heritage of a mixed population unable to overcome its simmering internal quarrels. A tragic situation is brewing. Unfortunately, in today's Yugoslavia, a sense of brotherhood is sorely lacking.

— C. L. Sulzberger, retired columnist for The New York Times.

The Lessons Of Vietnam Don't Apply

By Paul Berman

NEW YORK — Peace movements, like generals, sometimes fight the last war. In honor of America's great socialist leader of the 1930s let us call this phenomenon the Norman Thomas syndrome.

Norman Thomas had learned the lessons of World War I. Civilization was wrecked, millions died, the movements of the poor were derailed and not a single decent cause was served. The whole exercise was an imperialist monstrosity.

But what about the war against the fascist Axis? Mr. Thomas peered through the lens of his well-learned lessons and saw ... another imperialist war. Instantly, he mobilized against it. Yet World War II was not, on balance, an imperialist war. It was an anti-fascist war to preserve civilization from governments that were not only evil but vigorously on the march. Even Mr. Thomas came to see that his own leftist principles required a pro-war about-face. But how hard it was to do!

A Norman Thomas syndrome is upon us today. Vietnam taught many lessons, some of them moral and not just military. Yet what happens when some of us who suppose we have mastered those lessons peer into the present? The gist of the anti-Vietnam War argument looms up. There is the idea that the far-away enemy, distasteful though he is, would pose no threat to us if only we gave him time to ponder or left him alone.

And there is the idea that America is itself a troublemaking country and can wreak nothing but harm.

If these two notions proved even half as true today as they did in Vietnam, the only decent alternative would be, as last Saturday's Washington peace march advised, to "bring the troops home now."

But what if the Ba'athists of Baghdad are not just evil, like many another government, but are vigorously on the march in ways that Vietnamese communism never was?

The gassing of Kurds, the million-death war against Iran, the eerily familiar tactic of wriggling out of a tight spot by inciting the oppressed masses against a scapegoat population, the Israelis — these features of Iraqi policy are less than reassuring.

Many governments display an unseemly interest in nonconventional arms, but not every government causes its neighbors to move into sealed rooms. And when you factor in the totalitarian controls, the preference for glorious self-immolation to negotiated retreat and, as a dot on the i, the stampede across the desert by hundreds of thousands of refugees bearing tales of horror about the invasion of Kuwait, the whole regime does take on — doesn't it? — the glinty look of a dynamic, expanding fascism, 1930s-style.

Maybe the war this time is, on balance, an anti-fascist exercise. The prospect of American blunders (sending the infantry too soon, for starters) should frighten us. But maybe the blunder of letting the enemy pick his own time to fight should frighten us as well.

Maybe standing up for little countries is not as shameful as some think — even in the case of Israel, that flawed democracy. Maybe standing up for a flawed democracy should be a point of pride, the way standing up for France and Britain 50 years ago was.

How hard it is, how weird for some of us with solid backgrounds in the anti-military, to contemplate a friendly nod at a B-52. Yet our reluctance contributes to an unfortunate difference between the present war and an earlier exercise in anti-fascism.

Franklin Roosevelt lifted ideas from the likes of Norman Thomas and proclaimed liberal democratic goals for everyone around the world — which may sound like silly propaganda but proved real enough in post-Nazi Germany and had its echo on the home front too.

The field for similar reforms in the Gulf may not be vast. Still, "the liberation of Kuwait" ought to mean, among other things, wealth-sharing and a bit of liberal enlightenment, to show democracy's flag. We need wealth-sharing at home.

The president's "new world order," as articulated in his State of the Union address is not exactly that. Pressure for democratic goals can come only from regions to his left.

Yet what happens if the Norman Thomas syndrome persists? Will we have a progressive war under conservative auspices — while the nation's best progressives go on mobilizing against the war in Vietnam?

The writer, a member of the board of editors of Dissent magazine, contributed this view to The New York Times.

100, 75 AND 50 YEARS AGO

1891: Apathy in Paris

PARIS — It was not an exciting day in the Chamber of Deputies yesterday [Jan. 31]. Even M. Proust and M. Le Semne were apathetic in their demands for the abolition of the Censorship. M. Le Semne thought that the existence of censorship a hundred years after the Revolution was a dangerous and ridiculous anachronism. M. Proust declared that his sole object was to aid the Government to tread the paths of liberalism. As had been arranged at the Elysée, M. Bourgeois refused immediate discussion.

1916: 'Cowardly Policy'

NEW YORK — Colonel Theodore Roosevelt today [Jan. 31] strongly denounced Mr. Wilson's "cowardly policy." Speaking of the Lusitania outrage, Colonel Roosevelt said it has been announced "we will accept money for our murdered women and children. We are to serve as Germany's tool against the nations which behaved righteously and valiantly. We have sat by while Germany murdered our women and children on the high seas and bombarded unfortified towns. Our failure to protest and demand that Germany square her performances with promises, makes us partly responsible for her criminal deeds."

1941: Daylight Raids

LONDON — Under cover of fog which had hugged the Strait of Dover for two weeks, German bombers roared over the English coast yesterday [Jan. 31] to give London its worst daylight raid since the Nazi high command dropped mass daytime action last August and adopted night attacks. The capital, however, had no alert after dark. Incendiary and high explosive bombs were dropped in almost half of the metropolitan areas' boroughs. Anti-aircraft guns boomed through much of the day.

— From the New York edition of the New York Herald Tribune.

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OPINION

Prevailing in the Skies, Losing in Foggy Bottom

By William Safire

CHICAGO — What American airmen are winning in the skies over Iraq, American diplomats are losing behind closed doors in Washington.

The war is going better than we dared hope. In only two weeks the allies have gained control of the air; the exodus of Iraqi aircraft to Iran is an acknowledgment by Saddam Hussein that Iraqi airspace now belongs to the allies.

That means we are free to pound his supply lines until his hungry, thirsty troops — who should be told by leaflet and broadcast that they have been deserted by the privileged ranks — lose the means and will to fight.

Saddam's ace weapon, the Scud missile, was designed to bring Israel into the war and transform the invader of Kuwait into an Arab hero. It was trumped by the Patriot anti-missile, and by the Israelis' willingness to bide their time in retaliating.

He is reduced to stunts — eco-terrorism against cormorants, and criminal outrages against prisoners of war — to divert attention from the relentless damage to his war machine by 100 allied sorties an hour.

Now he is trying to goad the allies into a premature ground attack with his tank forays across the Saudi border. That won't work, either; as soon as his tanks come out of bunkers, they are being destroyed.

His bedrock assumption was that the United States would flinch in the face of horrendous casualties. That has turned out to be mistaken, because the allied air war strategy is winning the war at the lowest cost in lives.

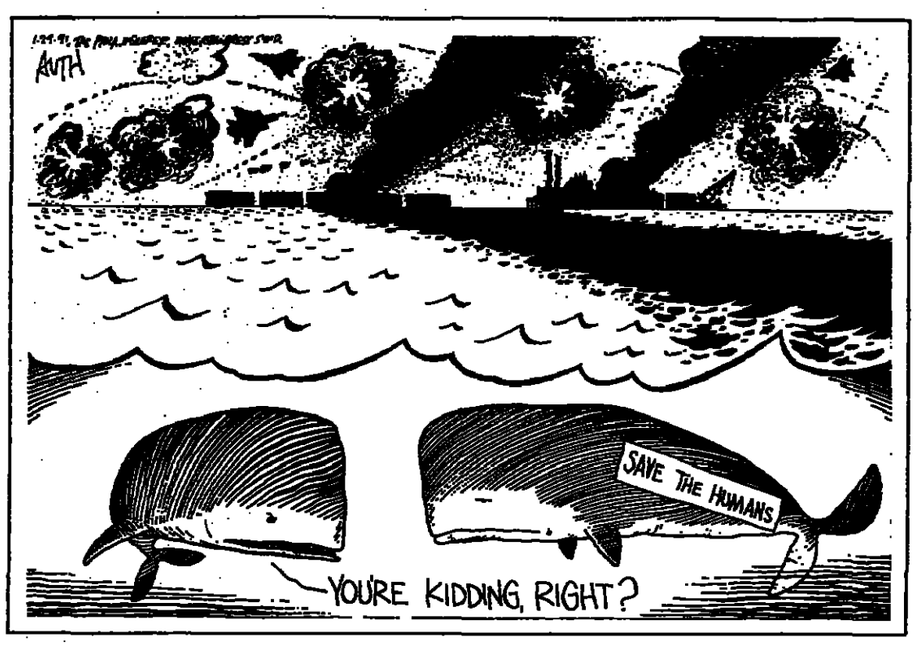
I just used an unfashionable word: "win." President George Bush, in his mishmash State of the Union address, preferred the more elegant verb "prevail." Fine: Let us prevail at the conference table as well as over the battlefield.

In the mists of Foggy Bottom, America has suffered this war's first defeat. In the run-up to the deadline of Jan. 15, Mr. Bush resolutely resisted any fraying of the clear requirement that Saddam Hussein get out of Kuwait by that date certain, totally and without conditions. This was despite craven, last-minute concessions offered Iraq by both the president of France and the secretary-general of the United Nations that a mere promise to leave — not an actual withdrawal — would suffice.

But here is that same concession in a joint statement issued two days ago by Secretary of State James Baker and the Soviet foreign minister, Alexander Bessmertnykh: "The ministers continue to believe that a cessation of hostilities would be possible if Iraq would make an unequivocal commitment to withdraw from Kuwait."

First, catch that "continue to": Mr. Baker admits he always favored the merely-a-promise-will-do concession. Then see how the word "promise" or "pledge" is made to look tough: It becomes "an unequivocal commitment" backed by "immediate, concrete steps."

Baloney: It says "just say you'll get out, send home a regiment, and we'll call it quits." We have now adopted the scorned French position.



Ah, but what about the firm Bush stand against "linkage"? We applauded the steadfast refusal to allow Saddam to tie his withdrawal from Kuwait to an Israeli withdrawal from land claimed by the PLO — to save face by pretending Iraq's stickup and rape of Kuwait was done for a less ignoble cause.

But here, in the State Department's surrender, is the linkage Saddam Hussein sought: "In addition, dealing with the causes of instability and the sources of conflict, including the Arab-Israeli conflict, will be especially important."

This, in the same short statement pleading for a mere promise to withdraw, plainly links Kuwait to the West Bank. What links is linkage.

This Baker-Bessmertnykh abomination is an invitation to the Butcher of Baghdad to turn certain defeat into a kind of victory. Although the president's press secretary said the written statement was "misinterpreted" and reflected "no change in policy," old hands know that all policy change is heralded by protestations of no change. President Bush said later that he had "no differences" with Mr. Baker.

Let's not kid ourselves: America's goal is not only to remove Saddam from Kuwait but to remove Saddam from power — period. No comebacks with stashed-away aircraft or hidden nuclear potential.

If diplomatic niceties, superpower relations or the sensitivities of free-riding members of the coalition prevent us from blurting out this truth, the least the secretary of state can do is bite his tongue and refrain from frittering away the goal that our forces are fighting to win.

The New York Times.

In a Father's Nightmare, Soldiers on the Doorstep

By Anna Quindlen

NEW YORK — This is the story of three kids who grew up and enlisted in the army. They are the sons of Ben Lozano, who manages a liquor store and lives in Mendota, California. Their names are Rene, Benny Jr. and Robert, and all three of them are in the Gulf.

It is an old, familiar story: Rene wasn't going anywhere much in college and so he joined the army. The two younger boys followed.

"They saw how well their brother was finding some direction in his life," the father says of his three children, who are 24, 20 and 19.

But when one by one their units were activated, Mr. Lozano slowly realized that if war in the Gulf came, his family could be wiped out. In November he began to write letters to public officials asking if they could reassign just one of his sons, just one child to hold onto in case the worst happened, to be a comfort to him and Dolly, his wife.

People told him there was a law against all the children in one family facing combat, and eventually he was able to attach a name to that law. The name was Sullivan: for five brothers who served on the same cruiser during World War II and who died together when the cruiser sank in the Pacific.

But the law everyone seemed to think existed wasn't a law at all. There was a section of the Selective Service Act about sole surviving sons, and a Defense Department policy not to assign immediate family members to the same unit or ship. Neither covered the Lozano boys.

The New Year came and all three were still in the Gulf. The parents went on every television show that asked, talked to anybody with a notebook and a question. Rene called home. By chance he had spent Christmas day with Robert, and three weeks later ran into Benny.

"I'm very proud of my kids for serving their country, but I don't believe I should have to give all of them up," their father says. "Not all three of them."

War has a human face. This is a good thing. It is a good thing to write a story about people as well as programs and policies because it makes us understand.

At the end of "Casablanca," Rick says it is easy to see that the problems of a couple of little people don't amount to a hill of beans in times of crisis, but the fact is that we would never watch the movie if they didn't. All of this war will be one little person after another.

"Are there kids in Iraq?" a kid asked me, getting to the heart of the matter.

For its first week, this war was all about hardware, the planes and the Patriots. Now the software has begun to appear. The before and after faces of Lieutenant Jeffrey Zaun of the U.S. Navy, the photograph in dress uniform with his onyx-bright eyes, the videotape in captivity with his face bruised, puffy, cut, and his eyes as lifeless as his voice.

A woman on a stretcher in Tel Aviv — gaudy with blood, her lips parted.

Another woman, older, with a scarf knotted beneath her chin, standing by the grave of her husband as the earth is thrown atop his coffin.

But regulations rarely have a human face, as any welfare recipient or immigration supplicant can tell you.

Grandparents newly introduced to disposable diapers, Ninja Turtles and small children plagued by inchoate fears have wondered why both father and mother need to be sent to the war zone, why it is not possible to make some exceptions based on simple human considerations in what has been billed as a kinder, gentler nation.

The answer, and the answer to Ben Lozano's questions, is contained in a Defense Department document just drafted in response to the indefatigable campaign of Ben and Dolly Lozano.

"Expecting the same sacrifices of all military members with similar skills builds morale and enhances readiness," the document says.

But there is hope contained within it: "Should misfortune strike a family and one of its members dies, becomes 100 percent disabled, or is in a captured or missing-in-action status as a result of duty in the armed services in a combat zone, the remaining members are exempt, if they request, from serving in a combat zone."

If one of Lozano's sons dies, the other two can request reassignment.

"One could be dead and the other two never know it, and I could lose all three before they apply for a transfer," the father says. Then, perhaps, there would be something known as the Lozano law.

War has a human face. This is one of them. Ben Lozano sees faces in his dreams, the faces of the three soldiers who he fears will show up on his doorstep one day to tell him and his wife that they are childless.

The New York Times.

MEANWHILE

The Moral Obligation

THE most telling argument against the war is simply that it is not our business (and to label this argument "isolationist" is to duck it). But while that argument was made by some conservatives, the left was silent when it mattered most: at the onset of the crisis. Jesse Jackson, for one, had this to say about Saddam Hussein in August: "He must be driven back" to Iraq's border. The United States, Mr. Jackson added, must be prepared to "use military force." He got precisely what he asked for. After saying that — in effect, acknowledging a moral obligation to repulse Iraq — everything else comes down to an argument over timing or tactics.

— *The columnist Richard Cohen.*

LETTERS TO THE EDITOR

Gulf War: Ends and Means

Could nuclear weapons prevent the deaths of thousands of allied troops in a bloody and brutal ground war? Could they halt Saddam Hussein's devastating and unprecedented ecological destruction before it is too late?

These questions warrant consideration. Self-imposed limits will not assure success against someone who knows no limits. But if the allies decided not to employ nuclear weapons due to military and political calculations — rather than emotional aversion — they should give no comfort to Saddam Hussein by publicly ruling out this option.

ARNO EVANS.
Paris.

In your Jan. 19 issue, a dispatch headed "Cruise Missiles Reshape War" notes that these missiles, fired against Iraq by U.S. Navy ships, "inflicted major damage at little or no risk to American personnel." Senator Sam Nunn says of the missiles, "When you look at the precious savings of lives, I think the dollars are well invested." He is talking about American lives.

Saddam Hussein is a ruthless dictator who broke international law. Sanctions, if properly enforced, and serious diplomacy could have forced him to withdraw his forces from Kuwait.

Iraqis are no less human than Americans. They should not have to die just because the United States and its allies have not learned any other way to impose their will on another country than to bomb it practically out of existence. Wasn't Vietnam enough?

DORIS DEDNER.
Marburg, Germany.

The United States has shown exceptional respect for human life by pinpointing military targets. Now is the time for a truce and negotiated settlement, before blundering further into a World War I-style infantry slugfest that would cost the lives of innumerable Iraqi conscripts and American men and women and that might destabilize the entire region. With Iraq's capacity to attack neighboring states diminished or destroyed, an international conference could then consider the plight of all the oppressed peoples of the Middle East.

STEVE AMDUR.
Hamburg.

Coastline Detail — for Life

If Saddam Hussein and his high command are ever brought up for sentencing it would be most fitting that they be put in a "chain gang" with brushes and buckets to clean the coastline of the Gulf to the end of their days. No clemency. No paroles. Only a lifetime's supply of brushes — the smaller the better.

M. P. HYLAND.
Tucson, Arizona.

Gorbachev's Fort Sumter

Regarding "Gorbachev's Fort Sumter: If Only He Were a Lincoln" (Opinion, Jan. 18) by William Safire:

Were Mr. Safire's logic to have been applied ("when Moscow limits its empire to those consenting to its rule"), it is clear what Lincoln would have been compelled to do in 1860: watch the South form a new nation.

Has any Soviet leader done as much to reverse the negative trends of Soviet expansionism in this century? Is it any wonder that such a leader, to stay in power, must draw the line at the border of the nation?

TIM HANSON.
Frankfurt.

The Start of the 1967 War

Regarding "Israel Struck First in 1967" (Letters, Jan. 24):

It is correct that Israel, facing the mortal threat of enormous massed Egyptian armies (after Egypt had ousted the UN peacekeeping force in Gaza), launched a preemptive strike early on June 5, 1967. But the situation was altogether different on the Jordan side. Israel had entered into a mutual agreement with King Hussein of Jordan to respect their 1948 armistice lines. Those of us living in Jerusalem at the time sent our children to school as usual on that fateful morning. At 11 A.M., hundreds of shells began to fall on the town. We were totally undefended for 24 hours. Everyone knows the rest of the story.

DENISE GALPERIN.
Paris.

Setting a Separate Course

Regarding "Don't Expect a Big European Role Any Time Soon" (Opinion, Jan. 24) by William Pfaff:

The diversity in West European countries' positions, reactions and attitudes toward the war in the Gulf is not a sign of weakness but a sign that Europe, finally, is on the right track — a path dictated by its vital interests in the Middle East, independent from U.S. interests.

Western Europe is almost wholly dependent on Middle Eastern oil, while the United States is not. Europe has historical, cultural, social and economic ties with the countries of the Middle East that the United States does not have.

MILAD G. LARADY.
Tokyo.

Shouldn't you be reading commentary like this —regularly?

German Wobbling Puts the Trans-Atlantic Partnership at Risk

By Jim Hoagland

WASHINGTON — Germany has become so sick that "it has completely lost its fighting spirit," Turgut Ozal observed the other day in an Ottomanesque blend of envy and disdain. The Turkish president, visiting an ocean of respect of the Gulf war, continues solidarity with problem in the case of the Germans.

Americans and Europeans have labored for 40 years to smother the German fighting spirit under the pillow of prosperity. The Common Market was conceived to do just that. The bedrock of European policy and of allied support for German unification has always been fear: the fear of isolated, resentful Germans regaining fighting spirit. No need to kick that sleeping dog.

It is what the Gulf war says about Germany's political spirit [illegible] should concern Bonn's partners, friends. After managing conflict with strategic vision and tactical brilliance, the coalition governed by Chancellor Helmut Kohl has been parochial and timid in its political response to the Gulf war.

Even in adding $5.5 billion to its contribution to the multinational coalition and agreeing on Thursday to send anti-aircraft systems to Turkey, the Bonn government has been grudging and slow in its actions. Kohl has made it clear at each step that he is responding to pressure [illegible]

Mr. Kohl irritated American officials by ducking the Jan. 16 telephone call from President George Bush announcing the start of the war. That same night, the German government joined France in blocking an American call for a NATO resolution of support for the war effort. Bonn and Paris argued that NATO should not give even verbal support to operations outside Europe.

Germany has declared that it is obligated to help NATO member Turkey in the event of an Iraqi attack. Bonn hastily argued that the North Atlantic Treaty is only an East-West agreement. Only attacks in Europe by the Soviet Union qualify for NATO [illegible]

These officials portray the Gulf war as an unfortunate distraction from the larger business of dismantling East-West conflict and constructing the Soviet Union to a more democratic society. By keeping out of the Gulf, they preserve their energies and resources for East-West tasking.

They address the essential point about the future of the American presence in Europe. The Gulf war and the end of the Cold War undercut each other. This war is a defining moment not only for America's position in the Middle East but also for American-European relations.

Nowhere is all part of the story. The United States has pulled about [illegible] troops and artillery out of Europe for duty in the Gulf. Pentagon, State Department and congressional officials predict that neither soldiers nor equipment will be reintroduced in Europe after Desert Storm is finished. They will be transferred home, left in the Gulf or demobilized, depending on the outcome in the Gulf.

Other costs under discussion in Washington would bring the U.S. troop level in Europe down from 320,000 last August to about 100,000 by the end of 1991. But U.S. officials acknowledge that if Americans conclude that Europe has not done its share in Desert Storm — that American blood has been shed for European oil — a future [illegible] will darken and bring

The end of the Cold War suddenly makes that source of action credible. A complete American withdrawal from Germany depends on the Soviet Union continuing its withdrawals from Eastern Europe. But the future American military presence does not depend on the reversibility of political reform inside the Soviet Union or what happens in the Balkans. If the Soviet threat to Europe is not reconstituted, America will have no military reason to stay in Europe.

Only a shared sense of commitment to common values will keep America in Europe beyond the Cold War. It is in this sense that is endangered by the loopholic approach to NATO that Germany is pursuing in a moment of crisis. It is this solidarity that is endangered by the moral neutrality claimed by so many German generations, politicians and intellectuals, compensating for the guilt of another generation.

Mr. Kohl's steady drive for unification demonstrated what determined, imaginative leadership can accomplish. His wobbly course on the Gulf makes the same point, but in the negative. The future of the German-American partnership just endured half a century of Cold War will be decisively affected by Mr. Kohl's choices to come.

The Washington Post.

Germany: Special, Different and Alone?

By Jochen Thies

BONN — The biggest anti-war demonstrations took place in Germany, and the Germans fear the stake of the war more than others do. Instead of practical solidarity with the Western allies, they hold, Bonn has toward self-preoccupation.

The change of stance by the government came last week and the statement this Wednesday by Chancellor Helmut Kohl do little to alter that general impression. Money for the anti-Iraq coalition, plus Patriots without soldiers, is not enough.

The visit that President Richard von Weizsäcker made on Tuesday to the wives and children of U.S. soldiers transferred to the Gulf region should have been made last September. It comes too late.

All those who hoped that the economy would be back to normal after reunification now realize that this is unfortunately not the case. Again we see that Germany has not yet [illegible] heavy attack on Turkey would commit Germany as a NATO member.

Germany has to stop being a spectator. The Gulf war, one hopes, will be over soon, but there will still be the forgotten conflicts in Eastern Europe. Germans will soon need to count on the solidarity of the Western allies if, for example, the withdrawal of Soviet troops from the former East Germany does not proceed as expected.

Germany is at a crossroads where it has to choose between a Sonderweg (separate path) and a responsible role within the Western framework. The high hopes of West European politicians are already tarnished. The gap between Germany and France has widened. How long will it be before Germany looks in the mirror?

The writer, managing editor of Europa-Archiv, a German journal of foreign affairs, contributed this comment to the International Herald Tribune.

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Italy Lire	450000	358,800	250,000	138,000
Luxembourg L.Fr.	11,000	9,000	6,000	3,300
Netherlands fl.	600	500	340	185
Norway [excl] N.Kr.	2,900	1,968	1,400	770
—**hand delivery N.Kr.	3,000	1,368	1,600	910
Portugal Esc.	31,000	24,520	17,000	9,200
Spain [excl] Pts.	35,000	28,700	19,200	10,600
—***hand deliv. Barcelona, Bilbao, Seville, Valencia Pts.	38,000	25,700	20,900	11,500
—***hand deliv. Madrid Pts.	54,600	—	27,300	12,458
Sweden [excl] S.Kr.	2,200	1,804	1,280	655
—**hand delivery S.Kr.	2,800	1,304	1,540	850
Switzerland S.Fr.	500	399	275	150
Rest of Europe, N. Africa, Iran, French Africa, Middle East $	500	Varies by country	275	150
Rest of Africa, Gulf States, Asia $	650		355	195
Central/Latin America $	600		330	180

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NYSE

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
A										
32½	9½	AAR	.48	4.0	10	2280	12½	11¼	12½	+ ⅜
9½	7¼	ACM n	1.03e	11.3	–	131	9⅛	9	9⅛	+ ⅛
11¾	8¾	ACMIn	1.26	11.6	–	851	11	10⅞	10⅞	– ⅛
12¼	10	ACMMM	1.50	12.2	–	238	12¼	12	12¼	
11½	8½	ACM Sc	1.26	12.1	–	859	10⅜	10¼	10⅜	+ ⅛
9⅝	7¼	ACMSp	1.01	11.7	–	307	8⅝	8½	8⅝	+ ⅛
25⅝	17	AL Lab	.16	.6	20	112	24⅝	24½	24⅝	
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(Continued on page 11)

NYSE Highs-Lows

NEW HIGHS 80

AlaPw 9pf, BankAm adj p, CRI Liq, Chubb s, ConAgra s, Drey StrGv, Gap Inc s, HlthCrPr, IndM 776pf, JacobsEng s, LIL Co pfT, ManorCare, NBD, OwensMin, PolicyMgt n, RP Ror n, Seagrams, SwstAirl s, Torchmark, VentStor n, AmIntGr s, BlockHR, CUC Intl, CompPsyc, CountryMtg, FabriCtr s, GnMotrE s, HlthsthRehab, IBM, JerCe 788pf, Lubrizol, MarionMDw, NatMedEn, Pfizer, vIPSNH pf, RiteAid, ServMerch, Syntex, UST, Vivra s, Arvin, BordenCh pr, CapstdMt pf, ComTelChle n, CyprSemi, FedSignal s, GoGulf, Homeplex, IntGameTch s, Kroger, MACOM, Medtronic, NovoNord, PhilMor, RJR Nab pf, RohmHaas, SmithBchm, Tektronix, Unit Illum, WabanInc, AydinCp, CBS wd, Christiana, CompaqCpt s, DanielInd, FstBkSy, GlaxoHdg, Imcera, IntpubGp, Loalcon, Magnatek, MuniIncFd, OakwdHm, PiedmtNG, RepubNY, SaftyKln, SmithBch ea n, Textron, UnivFd, WhelbTch

NEW LOWS 14

AmaxGold, FMC Gold, MilestnPr pf, UJB Fncl pf, Benef 450pf, HillsDept, Rowan, WstnGas pf, CycareSys, Maxus, SaatchiSat, Enserch, MilestnPro n, TWA pf

AMEX Highs-Lows

NEW HIGHS 24

AmTr-Ibm prm, Cognitron, FstRepBco, InstruSys pf, PageAm n, SPI Pharm, BarrLab, Diasonics, ForestLb, McRae A, PenrilCp s, Sbarro, BergstrmCap, Epitope n, GnMicrwve, McRae B, PrefdHlth, Thermninst, Bombay n, EsaRod El, Glatfelter, PGE 232pfJ, ProMed, US Biosci

NEW LOWS 11

Alamco, EdistoRs, LandsePc, AmExplr wt, Endevco, PrmeFn pf, AmPrecsn s, GalactRs g, Scopeind, CtlPdCda a, ImpHoly s

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BUSINESS/FINANCE

** FRIDAY, FEBRUARY 1, 1991

MITSUI TAIYO KOBE BANK

WALL STREET WATCH

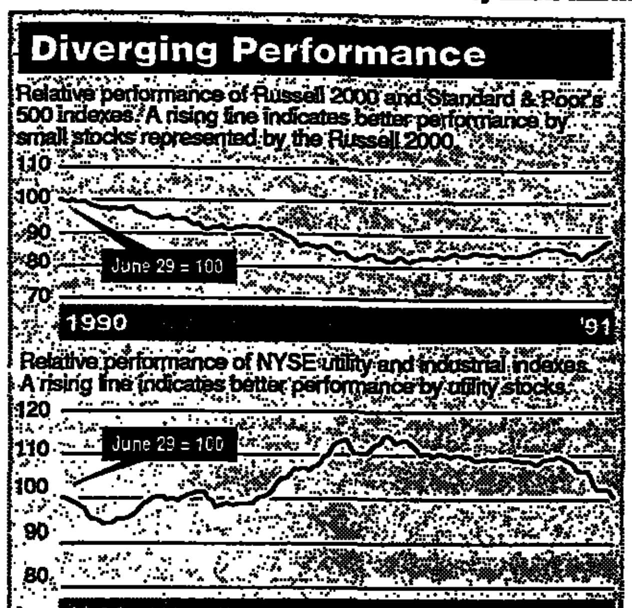
Stock Market Optimism Is Defying the Predictions

By Floyd Norris
New York Times Service

NEW YORK — The U.S. stock market seems to have concluded that the recession will be a short one, and that the economic recovery will not be a slow and cautious one. That optimistic forecast, which has crystallized in the weeks since the allied bombing of Iraq began, flies in the face of the gloom that pervaded the stock market after Iraq invaded Kuwait last summer.

It can be seen not only in the rising prices of market indexes, but in the market's internal dynamics. On Thursday, the Dow Jones industrial average rose 23.27 points, to close at 2,736.39, after surging 50 points on Wednesday.

The cautious stocks that were the market stars for much of the last year have been replaced as market leaders by riskier shares.



Source: Datastream — The New York Times

These new favorites stand to gain more from a vibrant economy, but also risk suffering more if the recession should be a sustained and prolonged one.

Utility stocks, which were strong performers for a time late last year and were the favored stock investment of advisers who were fearful of a continued weak economy, have badly underperformed in recent weeks.

The underperformance of the utilities, with their generally high dividend yields, has most sharply hit telephone and gas stocks, but the electric utilities also have lagged.

Small stocks, meanwhile, generally considered more speculative and by far the least popular investments for months before the market's war rally, have also started to surge.

Those trend reversals can be interpreted as signs that stock traders are worrying less about economic conditions. It appears that faith in the ameliorative actions of the Federal Reserve Board, which has been aggressively easing credit, has overcome fears that the economy was in such bad shape that the Fed's moves would have little impact.

That market forecast could, of course, be wrong. The old joke about the stock market forecasting nine of the last five recessions can also be applied to recoveries. But it still provides the first indication that the glum attitude of investors has started to turn cheerful, and that the recent market rally has more behind it than a belief that the war with Iraq will be a military success and relatively short.

"This is just like 1982," said Michael O'Higgins, a money

See STOCKS, Page 10

CURRENCY RATES

Cross Rates

Jan. 31

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.672	3.275	1.1272	0.3315	0.15 *	—	5.407 *	1.3238	1.2866 *	1.4375	1.796 *
Brussels	34.52	68.0845	20.57	6.06	2.7487 *	18.2485	—	24.1525	0.2334	26.28	32.91 *
Frankfurt	1.49	2.922	—	0.2946	0.1333 *	0.8872	4.861 *	1.1774	1.114 *	1.2814	1.599 *
London (a)	1.9665	—	2.9034	9.8782	2,180.50	3.2709	59.725	2.4981	258.05	2.2791	181.81
Madrid	93.11	182.67	62.502	18.412	8.333 *	55.45	3.026	73.58	70.663 *	80.84	—
Milan	1,117.65	2,187.40	750.26	220.87	—	664.08	36.487	882.40	8.457	957.20	11.985
New York (b)	—	1.9665 a	1.4765	5.022	1,119.00	1.665	30.41	1.257	131.25	1.1620	92.645
Paris	3.044	9.9885	3.3963	—	0.4525 *	3.013	0.1651	3.9985	3.826 *	4.329	5.427 *
Tokyo	131.15	257.85	88.82	25.94	0.1175	78.12	4.2884	103.80	—	113.66	1.4099
Toronto	1.1624	2.287	0.7884	0.2317	1.047 *	0.6993	3.814 *	0.9247	0.8856 *	—	1.256 *
Zurich	1.2625	2.4776	0.851	0.2508	0.1132 *	0.755	4.1357 *	—	0.959 *	1.0838	1.3556 *
1 ECU	1.3819	0.7032	2.0493	6.9639	1,538.84	2.3181	42.1847	1.7453	180.972	1.5911	128.306
1 SDR	1.4348	0.7315	2.1378	7.2369	1,603.52	2.399	43.7994	1.8157	188.341	1.6634	133.971

*Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates. Toronto rates at 3 p.m. a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9350.0	Greek drac.	156.95	Mex. peso	2945.00	S. Afr. rand	2.529
Austral. $	1.2821	Hong Kong $	7.793	N. Zealand $	1.6736	Soviet ruble*	0.5518
Austr. schil.	10.48	Indian rupee	18.692	Norw. krone	5.822	Swed. krona	5.56
Brazil cruz.	219.60	Indo. rupiah	1885.01	Phil. peso	27.72	Taiwan $	26.63
Chinese yuan*	5.2221	Irish £	1.8025	Port. escudo	130.60	Thai baht	25.15
Danish krone	5.7305	Israeli shek.	1.9789	Saudi riyal	3.7504	Turkish lira	2990.00
Egypt. pound	2.9173	Kuwaiti dinar	n.q.	Sing. $	1.7305	UAE dirham	3.6718
Fin. markka	3.585	Malay. ringg.	2.6978	S. Kor. won	718.80	Venez. boliv.	52.80

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.9558	1.9446	1.9333	Canadian dollar	1.1658	1.1696	1.1723
Deutsche mark	1.4720	1.4695	1.4665	Japanese yen	131.11	130.94	130.83
Swiss franc	1.2552	1.2539	1.2528				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Jan. 31

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	6 [illegible]-6 [illegible]	8 [illegible]-9 [illegible]	8 [illegible]-8 [illegible]	13 [illegible]-14 [illegible]	9 [illegible]-10	7 [illegible]-8 [illegible]	9¾-9⅞	8⅝
2 months	7-7⅛	9 [illegible]-9 [illegible]	8½-8¾	13 [illegible]-14 [illegible]	9 [illegible]-10⅛	8¼-8⅜	10-10⅛	8 [illegible]
3 months	6 [illegible]-7 [illegible]	9⅝-9¾	8⅝-8¾	13⅞-14	10-10 [illegible]	8⅛-8¼	10 [illegible]-10 [illegible]	8 [illegible]
6 months	6 [illegible]-7 [illegible]	9¾-9⅞	8½-8¾	13½-13⅝	10 [illegible]-10⅛	7 [illegible]-8 [illegible]	10 [illegible]-10 [illegible]	8½
1 year	7 [illegible]-7 [illegible]	9 [illegible]-9 [illegible]	8-8⅛	12⅞-13	10⅛-10 [illegible]	7⅝-7¾	10¼-10⅜	8½

Sources: All Reuters except ECU: Lloyds Bank. Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Jan. 31

	Close	Prev.
United States		
Discount rate	6½	6½
Prime rate	9½	9½
Federal funds	10	6⅝
Com paper 90-179 days	6.60	6.60
3-month Treasury bills	6.19	6.18
6-month Treasury bills	6.19	6.22
1-year Treasury bills	6.12	6.15
30-year Treasury bond	8.20	8.23
2-month CD's	6⅛	6½
3-month CD's	6⅛	6½
Japan		
Discount rate	6.00	6.00
Call money	8 1/32	8 1/32
1-month interbank	8 1/16	8 3/32
3-month interbank	8 1/32	8 1/32
Germany		
Discount rate	6½	6.00
Lombard rate	9.00	8½
Call money	8.55	8.55
1-month interbank	9.00	8.80
3-month interbank	9¼	9.20
6-month interbank	9.40	9.30
Britain		
Bank base rate	14.00	14.00
Call money	14.00	14 1/16
3-month interbank	14.00	13 15/16
6-month interbank	13 9/16	13¾
France		
Intervention rate	9¼	9¼
Call money	9 13/16	10⅛
1-month interbank	9⅞	9⅞
3-month interbank	10.00	10.00
6-month interbank	10 1/16	10 1/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Jan. 31

1 month	7-7⅛
2 months	6 [illegible]-7 [illegible]
3 months	7 [illegible]-7 [illegible]
6 months	7-7⅛
1 year	7 [illegible]-7 [illegible]

Source: Reuters.

U.S. Money Market Funds

Jan. 31

Merrill Lynch Ready Assets 30-day average yield:	7.06
Telerate Interest Rate Index:	6.756

Source: Merrill Lynch, Telerate.

GOLD

Jan. 31

	A.M.	P.M.	Ch'ge
Hong Kong	368.25	370.25	— 3.50
Luxembourg	369.65	—	— 2.10
Paris (12.5 kilo)	372.25	370.60	— 0.77
Zurich	370.10	365.75	— 1.75
London	369.40	366.00	— 1.10
New York	—	365.35	— 3.00

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

U.S. to Bank Regulators: Easy Does It

By Steven Mufson and Jerry Knight
Washington Post Service

WASHINGTON — Treasury Secretary Nicholas F. Brady has called in top U.S. banking regulators and encouraged them to make sure that problems in the banking industry do not exacerbate a credit contraction that could slow the economy further, according to government officials.

The two-hour meeting at the Treasury Wednesday was the latest sign that the administration is still concerned about anecdotal reports that banks have tightened credit in response to tough examinations by banking regulators, a concern that Alan Greenspan, the Federal Reserve chairman, recently said might be somewhat justified.

"Everyone is trying to move in the same direction to find responsible steps the regulators can take to try to help the economy," said a senior Treasury official who attended the meeting.

A senior Treasury official denied, however, that the Bush administration was using the meeting to lean on regulators to let up on banks. "We are there simply as a catalyst," he said.

President George Bush added extra emphasis to the issue in his State of the Union message Tuesday night, saying that "there has been too much pessimism. Sound banks should be making sound loans now, and interest rates should be lower now."

Wednesday's meeting included Mr. Greenspan; Robert L. Clarke, comptroller of the currency; Timothy Ryan, director of the Office of Thrift Supervision; and L. William Seidman, chairman of the Federal Deposit Insurance Corp. According to a senior Treasury official, the discussion was "more of a technical approach than a conceptual one," but it focused on regulatory issues that are crucial to the stability of major financial institutions.

Topics included the disclosure of problem loans by banks, appraisals of troubled real estate and the concentration of loans in a single area — a move that could expose an institution to local economic slumps.

It was not the first such meeting between Treasury officials and top banking regulators, but the Treasury said it indicated the administration continues to be concerned about the availability of credit to business.

Regulators have defended their standards and alleged that many banks are blaming regulators when in fact the banks themselves have been trying to pare back risky loans.

Mr. Brady said the administration recently has been soliciting specific examples from businesses of unfair loan rejections so that the Treasury can take their cases to regulators. "We have asked that people who have come to us with complaints that regulators are restrictive to please be precise; don't make a general statement," Mr. Brady said Wednesday.

The Treasury and Congress are hearing complaints from borrowers that banks, fearful of being second-guessed by regulators, are not only refusing to make new loans but are reluctant to renew old lines of credit, causing financing problems for otherwise healthy customers.

Treasury officials encouraged regulators to move quickly on credit-easing proposals already in the pipeline, such as new bank accounting rules proposed earlier this week by the Office of the Comptroller of the Currency, the agency that regulates national banks.

Goldsmith Takes £97 Million U.K. Loss

By Leigh Bruce
International Herald Tribune

LONDON — Sir James Goldsmith has turned his attention to the environment, but the City of London got a reminder on Thursday of the erstwhile financier's less than spectacular recent investments.

Anglo Group PLC and Sunningdale PLC, affiliates of Sir James's General Oriental Investments Ltd., announced the sale of their 29.8 percent stake in the food company Ranks Hovis McDougall PLC for 303 pence ($5.92) a share, absorbing a gross loss of £97 million.

The operation was conducted by the brokers Smith New Court and Cazenove & Co.

The stock was purchased in May 1989 for 400 pence a share. Pointing out that the RHM stock had fallen to as low as 268 pence a share last fall, analysts said Sir James and his fellow shareholders had taken advantage of a spike in the share price to divest a holding that had become a financial burden. RHM's pretax profit fell 25 percent to £133.2 million in the year that ended Sept. 1.

Richard Furlong of Laing & Cruickshank said the move was "long overdue." He and others maintained that with the stock price in the midst of a slump and interest rates high, the investment was costing Sir James and his fellow shareholders as much as 9 pence a share each month.

"They took a view that they had run out of other options and that they had better uses for their money," Mr. Furlong said. "This is a weight off their portfolios."

Sir James controlled about 30 percent of the RHM shares. Other investors were J. Rothschild Holdings, Paribas and the Australian magnate Kerry Packer.

But General Oriental claimed the net loss on its 30 percent portion of the investment was reduced from about £29 million to only £8.8 million thanks to offsetting gains from hedging moves, like interest rate swaps, and currency fluctuations.

A spokesman for General Oriental said Sir James had now 'liquidated his U.K. portfolio.'

The disposal is the latest evidence that Sir James is trimming his sails in order to devote more time to campaigning for environmental protection.

He is planning to attend the current meeting of top business and government officials in Davos, Switzerland, a regular annual event that this year will be taking a special look at environmental questions. Sir James and leading environment officials from the European Community, the United Nations and elsewhere are to attend a broad session on the issue next week.

The change in Sir James's orientation began after the failure of the takeover bid for BAT Industries PLC, the tobacco and financial-services giant, last year. The sale of the RHM stake virtually completes the gutting of Anglo Group and Sunningdale since then.

Six months ago, Anglo Group sold Anglo Leasing PLC to Summit Group PLC for £120 million in cash. The transaction left a net cash balance of £17 million as well as the RHM stake.

A spokesman for General Oriental said Sir James had now "liquidated his U.K. portfolio." He added, "Jimmy's basically retired."

He said General Oriental retains its 49 percent stake in Newmont Mining Inc., worth about $1.6 billion, as well as cash and bonds.

Despite the loss on the Ranks Hovis sale, analysts said the disposal made perfect sense from a business point of view, given the poor prospects for food stocks and Sir James's evident lack interest in becoming a full-time food baron.

The analysts pointed out that it might be a long time before the RHM share price reached high enough for investors to break even.

"Food stocks will not do well for two to three years," said Chris Wickham of Lehman Brothers International.

He said that structural changes in the industry as well as the economic downturn would keep the RHM share price relatively low.

Hasbro to Buy Tonka In $516 Million Deal

Compiled by Our Staff From Dispatches

NEW YORK — Hasbro Inc., the largest toymaker in the United States, and its struggling competitor Tonka Inc. announced Thursday that they will merge, combining the makers of classic toys ranging from the GI Joe soldier to the Monopoly board game.

The value of the deal is reported to be about $516 million. Hasbro said it would pay $107.1 million in cash for Tonka and assume all of the debts of the third-largest U.S. toy maker.

The companies said they had reached a definitive agreement under which Hasbro would begin a $7 dollar a share tender offer for all of Tonka's 15.3 million outstanding shares. Tonka would become a wholly owned Hasbro subsidiary at the completion of the tender offer.

Hasbro said it would pay for the acquisition out of its cash on hand and from funds available under its existing credit agreements. Tonka said its board of directors had already approved the acquisition.

Tonka was hurt in 1990 by the same malaise as many other toy manufacturers as parents, worried about the economy and the Middle East crisis, cut back on the number of toys they gave their children at Christmas.

The company also has suffered recently from a dearth of successful new products. Some of its biggest sellers in past years, Pound Puppies plush toys and Real Ghostbusters action figures, reached their peak and then went into a decline without Tonka having well-received products to replace them.

Tonka is also laden with debt after its 1987 buyout of Kenner Parker Toys Inc. That acquisition brought well-known toys such as the Monopoly board game and Play-Doh modeling clay to the Tonka lineup.

Through the first nine months of 1990, Tonka reported a loss of $25.4 million on sales that fell 14 percent to $541.3 million.

Hasbro produces well-known toys including GI Joe, Transformers and My Little Pony. It also owns Milton Bradley board games and Playskool toys for young children and holds the license for Cabbage Patch Kids dolls.

(AP, Reuters)

GATT Breakthrough Is Reported to Be Near

Reuters

WASHINGTON — Both U.S. and EC officials said on Thursday that they believe a breakthrough could be near in the deadlocked talks on international trade.

Agriculture Secretary Clayton K. Yeutter of the United States said the talks under the General Agreement on Tariffs and Trade are "on the verge of a major breakthrough."

He said the European Community is showing a "very, very significant shift in attitude and a commitment to change."

His comments came as the EC Commission cleared the outline of a plan for farm reform Thursday that is likely to include big cuts in dairy quotas, as well as beef and cereals prices.

Details were not immediately available, but officials said the plan matched an outline proposed by Farm Commissioner Ray MacSharry last week. The plan will next be formally submitted to EC farm ministers, who meet again in Brussels on Monday and Tuesday. Officials and diplomats expect them to give it a rough ride.

Nonetheless, the Commission's approval of the plan is good news for EC negotiators at world trade talks. They will be at GATT headquarters in Geneva on Friday to discuss prospects for reviving negotiations that stalled in December.

"Reform could contribute to a climate of confidence that the Community is serious in efforts to stick to its commitments," said the EC trade and external relations commissioner, Frans Andriessen.

He told a news conference in Brussels that he was cautiously optimistic that the proposal could help break the deadlock.

But he said that the reforms, which are intended to get rid of surpluses and cut spending, are not being designed as a sweetener to please GATT negotiators.

The new plan allows the Community to argue that it is going in the right direction in trimming trade-distorting subsidies.

"This is an element that gives credibility to the Community's position," an EC official said.

EC officials were also cheered by the fact that Mr. Yeutter, a tough, flamboyant free-marketeer, was being succeeded as agriculture secretary by a man who has a reputation as a moderate, Ed Madigan.

The four-year-old Uruguay Round of GATT talks, which aims at freeing world trade, broke down in December when the United States and the Community disagreed over farm subsidy reforms.

Dollar Recedes Against DM as Rates Move Up

Compiled by Our Staff From Dispatches

NEW YORK — The dollar slipped Thursday to finish lower after the German central bank unexpectedly raised interest rates and the chairman of the U.S. Federal Reserve Board said a long war would bring a longer recession.

The U.S. currency fell to 1.4765 Deutsche marks, from its opening of 1.4838 and its close of 1.4878 on Wednesday. Linda McLaughlin of AIG Trading said the dollar's penetration of support at 1.4800 brought in additional technical-based selling.

However, the dollar climbed to 131.250 yen, from 131.150 at the Wednesday close.

In a move that drew criticism from Germany's Western trading partners, the Bundesbank raised its key discount lending rate one-half of a percentage point to 6.5 percent and its overnight Lombard emergency borrowing rate half a point to 9.0 percent.

"Interest-rate differentials are clearly favoring the mark," said John McCarthy of Algemene Bank Nederland.

Despite the restrained fall of the dollar, dealers were bearish about the currency. "There's no reason to own dollars now," said Charles Spence, vice president of First Interstate Bank in Los Angeles.

Albert Soria, foreign-exchange manager at Kansallis-Osake-Pankki Bank in New York said that the Bundesbank action had been "totally unexpected."

Meanwhile, Alan Greenspan, the Fed chairman, said a war in the Gulf lasting past the middle of April could seriously erode consumer confidence and stall recovery. He also said recovery depended on whether U.S. banks can be induced to lend more money.

The British pound closed at $1.9665, after $1.9633.

The U.S. unit dipped to 1.2570 Swiss francs, from 1.2625, and to 5.0220 French francs, from 5.0495.

Earlier, in London, the dollar fell on the Bundesbank announcement, as did the pound and yen.

Gold prices tumbled to a three-month low, closing at $365.75 an ounce, after $367.50 Wednesday.

The German move, dealers said, jolted the market out of the sluggishness that has prevailed since the start of the war in the Gulf. Most currencies have been trading in narrow bands in thin trading since Jan. 17.

As a result of the Bundesbank action, the Dutch central bank lifted its three key official rates by half a point. Austria also raised its rates.

The dollar plunged to 1.4770 DM from 1.4914 at the opening and 1.4985 at the close Wednesday.

The pound lost more than two

See DOLLAR, Page 10

Soviet Output Of Oil Dropped 8% in January

Compiled by Our Staff From Dispatches

MOSCOW — Soviet oil production dropped in January by 8 percent to 9 percent compared with the same month last year, the government newspaper Izvestia reported Thursday.

The Soviet Union is the world's largest crude oil producer, but output has slumped in the last 18 months.

The Soviet draft budget for 1991 forecasts that oil exports will be halved to about 61 million tons.

Meanwhile, oil prices rose modestly, with the U.S. benchmark, light sweet crude oil for delivery in March, settling 57 cents higher, at $21.54 per barrel, on the New York Mercantile Exchange. In London, North Sea Brent Blend crude closed at $20.06 per barrel, up 45 cents, on the International Petroleum Exchange.

(Reuters, AP)

EC-EFTA Market Pact Sought by June

Compiled by Our Staff From Dispatches

BRUSSELS — The European Community and European Free Trade Association said Thursday that they wanted to finalize a treaty by the end of June that would create a common market of 380 million people stretching from the Arctic to the Mediterranean.

The EC commissioner for external relations, Frans Andriessen, and the Austrian economics minister, Wolfgang Schüssel, whose country holds the rotating EFTA presidency, said they had agreed that work should begin immediately on drafting the text that would establish the so-called European Economic Area.

The text would be signed at a special conference some time in June, they said.

"I think that it should be possible for us at the end of this period to initial the text," Mr. Andriessen said.

But Mr. Schüssel said "some important questions and details" remain to be worked out.

The European Economic Area would extend EC rules to the seven EFTA nations: Austria, Finland, Iceland, Liechtenstein, Norway, Sweden and Switzerland.

An accord would take effect Jan. 1, 1993, after ratification by the parliaments of the EC and EFTA member states.

Mr. Andriessen and Mr. Schüssel said progress was made on defining the EC rules that should form the basis of the accord and the safeguards allowing countries to opt out of rules that they find impossible to apply.

But they said decisions still had to be made on creating a legal body to ensure that rules are enforced; on whether the EFTA should set up an executive body similar to the EC Commission; on how to avoid hindering the development of poorer EC states, and on how decisions would be taken in the European Economic Area.

Mr. Andriessen said that the ambitions of some EFTA countries to use the European Economic Area as a step toward full EC membership would help them compromise on the demand that has posed the greatest threat to the accord: that the EFTA should have a say in formulating EC policies that would affect it.

"In as far as EFTA countries envisage becoming members of the EC and see the EEA in the perspective of a transitional period," Mr. Andriessen, "it should make them more forthcoming as far as the institutional process is concerned."

Austria applied for EC membership in July 1989. The Swedish government has decided to apply this year and Norway is considering an application.

Both men said that the European Economic Area would be able to help the integration of East European countries into the European economy. But they added that these nations would be able to join the accord only when they had established market economies.

EC-EFTA negotiations began in June. They reflect fears in EFTA countries that they will miss out on an expected boom in trade throughout Europe after Dec. 31, 1992, when the EC drops its internal borders.

EFTA, a far looser economic group than the EC, is the EC's major trade partner. In 1989, EC-EFTA trade was valued at $222 billion.

(Reuters, AP)

U.S. Agency Faulted in 2 Bank Bailouts

By Jeff Gerth
New York Times Service

WASHINGTON — The U.S. agency in charge of bailing out failed banks mishandled the two most costly collapses so far, a congressional task force has concluded.

The Federal Deposit Insurance Corp. is so respected on Capitol Hill that Congress broadened its jurisdiction in 1989 to include involvement in the rescue of failed savings and loans. It is an infrequent target of in-depth inquiry or criticism by Congress.

But the task force's findings, released in a report on Wednesday, suggest parallels between flaws in the FDIC's management and expertise in banking oversight and flaws in thrift industry oversight by the defunct Federal Home Loan Bank Board, which was widely criticized for being outsmarted in its sale of failed savings and loans in 1988.

The 56-page report questions the way the FDIC selected winning bidders in 1988 and 1989 for many of the assets of two Texas banking giants, First RepublicBank Corp. and MCorp.

It also questioned the size of the FDIC subsidies to the purchaser of First RepublicBank, NCNB Corp., the seventh-largest U.S. banking company.

According to the report, which was prepared by the House Budget Committee's Task Force on Urgent Issues, the FDIC's agreement with NCNB provides overly generous subsidies for the bank, while retaining for the government and taxpayers most, if not all, of the risks and costs.

The 1988 agreement has prompted criticism before. The task force had access to internal FDIC documents that had never been examined by outsiders.

An FDIC official, who asked not to be identified, defended the agency's actions, saying NCNB was selected in the First RepublicBank deal because it was the lowest bidder and had showed more initiative than other bidders.

He also said the agency's assistance accord with NCNB was properly structured to minimize cost to the FDIC and was renegotiated last year only because "we needed to offer them more incentive."

Representative Charles E. Schumer of New York said that while the FDIC has an excellent reputation for integrity, the report shows 'they get outfoxed.'

Virginia S. Mackin, a spokeswoman for NCNB, which is based in Charlotte, North Carolina, declined to comment on the report. But she said the bank's 1988 bid "was the most competitive submitted and was the best possible solution at that time."

Representative Charles E. Schumer, Democrat of New York and chairman of the task force, said that while the FDIC has an excellent reputation for integrity, the report shows "they get outfoxed."

Mr. Schumer said he wanted to make FDIC auctions of failed banks more open and competitive and inject more rigorous and independent oversight into the agency's rescue activities.

The bulk of the report focuses on the NCNB transaction. At the time of the sale, the FDIC estimated that rescuing First RepublicBank would require from $2 billion to $3 billion in net subsidies, not including NCNB's tax benefits, which were put at $700 million to $750 million.

The report said those estimates were low, because the subsidies would far exceed $3 billion and lost tax revenues would come to $960 million. The FDIC's 1989 annual report places the subsidy cost at $2.9 billion, but the figure is subject to adjustment in the 1990 report.

The task force report, relying on FDIC documents, said NCNB's tax breaks became "a major factor" in making its bid significantly lower than the next closest offer. But the FDIC's analysis of the bidding failed to calculate tax benefits when estimating the cost of other bids, the report said.

NCNB obtained two private rulings from the Internal Revenue Service that allowed it to carry forward First RepublicBank's previous losses to offset other NCNB income, thus lowering the amount of its overall tax liability.

The report commissioned a study by Jerome Kurtz, a former IRS commissioner under President Jimmy Carter, who found the rulings "doubtful at best" because they had "little support in the law" and were hastily considered. The IRS, in discussions with the task force, stood by the correctness of its rulings, the report said.

What also troubled the task force was the way in which the FDIC ignored the tax costs in selecting the cheapest bidder. The FDIC was only required, at that time, to choose the bidder whose cost would be lowest for the insurance fund, not the government as a whole.

In evaluating the other bidders for First RepublicBank, who were unaware of NCNB's tax ruling, the FDIC ignored tax savings, creating an unfair competition, the report said. NCNB has not shared any of its tax benefits with the FDIC, but one of the losing bidders, Wells Fargo & Co., offered to share 75 percent of its tax savings with the FDIC, Mr. Schumer said.

The FDIC does not inform other bidders of creative moves by one bidder, like the IRS ruling for NCNB, an FDIC official said.

The report also criticizes the assistance agreed to by the FDIC when it sold the banks to NCNB. The North Carolina banking giant was allowed to eventually give back to the FDIC more than $11 billion in bad loans.

The report found the FDIC paid NCNB a management fee of between 4.7 percent and 5.3 percent for each asset, far in excess of the normal rate of between 1.5 percent and 3 percent.

The report, quoting FDIC auditors, found the FDIC's assistance agreement with NCNB included an expense reimbursement clause that provided "no incentive for NCNB to control its allocated expenses if they are fully reimbursed."

MARKET DIARY

Dow Pushes Higher On Strong Earnings

Compiled by Our Staff From Dispatches

NEW YORK — Wall Street stocks closed higher on Thursday, helped along by surprisingly good earnings and a growing belief that the U.S. recession would be short and shallow.

The Dow Jones industrial average, which surged 50.50 points on Wednesday, jumped 23.27 to close at 2,736.39.

Among broader market gauges, the New York Stock Exchange composite index jumped 1.57 to 187.59. Standard & Poor's 500-stock index rose 3.02 to 343.93. The price of an average share gained 27 cents.

Advances led declines by about a 2-1 margin. Volume totaled 204.24 million shares, compared with 226.79 million Wednesday.

The stock market has been buoyed by recent economic indicators, which have led investors to think the recession will not be as serious as feared. Higher earnings at a number of companies also spurred buyers.

Chase Manhattan was the most active issue, in dividend-related trading, up ⅛ to 11⅞.

American Express followed, up 1 to 22⅞. Compaq Computer was third, up 3¼ to 70, extending Wednesday's rally, which was tied to a higher-than-expected fourth quarter profit.

Reebok was next, surging 2¼ to 14⅜.

Among the other blue chips, AT&T rose ⅜ to 32⅝, IBM lost ¼ to 126¾, Philip Morris fell ⅛ to 55⅝ and General Electric jumped 2 to 64.

Elsewhere, Xerox surged 5⅜ to 48¾ after reporting a sharp rise in earnings from continuing operations for the fourth quarter.

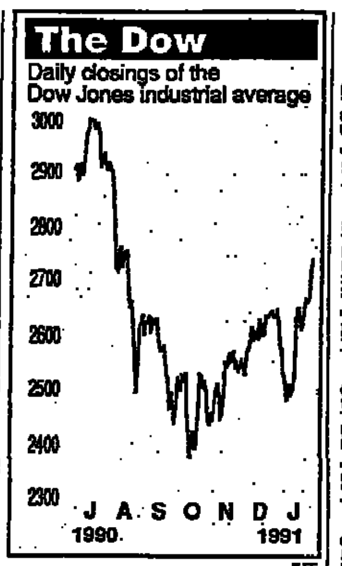
Lotus Development Corp. rose 1½ to 16¾ although it reported a fourth-quarter loss of $31.6 million. The stock had been depressed this week by fears of sharply lower earnings, and analysts said the market was relieved that the loss reported was in line with estimates.

Prices gained sharply in active trading on the American Stock Exchange.

The National Association of Securities Dealers composite index rose 2.67 to 414.20. *(UPI, Reuters)*

N.Y. Stocks

Via Associated Press Jan. 31



Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2706.19	2747.28	2691.58	2736.39	+ 23.27
Trans	1064.35	1079.69	1048.66	1069.11	+ 3.70
Util	205.92	207.43	204.79	206.74	+ 0.57
Comp	973.49	987.01	965.71	981.48	+ 5.96

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	406.53	402.55	406.53	+3.39
Transp.	264.67	261.71	264.60	+2.06
Utilities	138.56	137.45	138.56	+0.98
Finance	25.23	24.78	25.23	+0.42
SP 500	343.93	340.47	343.93	+3.02
SP 100	325.83	322.70	325.83	+2.77

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	187.59	186.10	187.59	+1.57
Industrials	234.21	232.41	234.21	+1.93
Transp.	159.75	158.43	159.75	+1.35
Utilities	89.02	88.54	89.02	+0.49
Finance	129.77	128.43	129.77	+1.67

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	414.29	408.45	414.20	+5.67
Industrials	458.78	452.19	458.78	+6.67
Finance	377.49	373.68	377.41	+3.44
Insurance	478.51	472.10	478.51	+6.09
Utilities	533.02	522.14	532.15	+9.67
Banks	268.07	263.25	267.57	+4.32
Transp.	464.47	456.21	462.96	+1.54

AMEX Stock Index

High	Low	Close	Ch'ge
317.54	314.45	317.54	+3.07

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	92.84	—0.01
10 Utilities	94.54	—0.15
10 Industrials	91.15	+0.14

Market Sales

NYSE 4 p.m. volume	204,240,000
NYSE prev. cons. close	270,042,490
Amex 4 p.m. volume	14,780,000
Amex prev. cons. close	18,260,000
NASDAQ 4 p.m. volume	177,261,700
NASDAQ prev. 4 p.m. volume	202,656,000
NYSE volume up	131,681,720
NYSE volume down	50,020,460
Amex volume up	8,456,960
Amex volume down	3,396,000
NASDAQ volume up	116,996,376
NASDAQ volume down	34,297,241

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Jan. 30	468,664	619,138	41,844
Jan. 29	402,329	702,386	85,648
Jan. 28	489,576	541,465	23,576
Jan. 25	508,718	631,312	47,164
Jan. 24	625,713	606,961	10,313

*Included in the sales figures.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Chase	30428	12	11¾	11⅞	+ ⅛
AmExp	24509	23	21⅝	22⅞	+1
Compaq s	22816	70⅝	66⅞	70	+3¼
Reebok	22096	14⅜	13	14⅜	+2¼
GenEl	21810	64⅛	61⅝	64	+2
GnMotr	21759	36¼	35⅝	36⅛	+1
Boeing s	20747	49½	47⅜	49⅛	+1½
PhilMr	19953	56	55⅝	55⅝	— ⅛
McDonl	18925	28⅝	27⅜	28½	+ ¾
IBM	17178	127⅛	126¼	126¾	— ¼
Tremnt n	16317	1⅝	1½	1⅝	— ⅛
PepsiC s	15930	27⅝	26¾	27½	— ⅛
AT&T	14972	32⅝	32¼	32⅝	+ ⅜
Xerox	14659	48⅞	45⅞	48¾	+5⅜
WalMt s	14301	33	32¼	33	+ ⅜

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
BAT In	14876	12⅛	11⅝	12	+ ⅛
Diasonc	6670	4	3⅝	3⅞	
CornCr	4747	16⅜	16	16⅜	+ ⅜
Hlthav	3455	1⅝	1½	1⅝	+ ⅛
A-ge sc	3072	6⅛	5⅞	6⅛	+ ⅜
FruitL	2909	10⅛	10	10⅛	+ ⅛
Epitope n	2552	12	10⅞	11⅞	+ ⅞
DowC rt	2441	5½	5⅛	5½	+ ⅛
Amdhl	2352	16	15⅝	15⅞	— ⅛
A-alf2 sc	2318	5⅛	4⅞	5⅛	+ ½
BelrPh	2254	3⅛	2⅞	3⅛	+ ½
InstSy	2186	1⅞	1⅝	1⅞	
ENSCO	2174	2⅜	2¼	2¼	— ⅛
MoomC	2166	5⅝	5¼	5⅝	+ ⅜
PldHth	1841	13⅛	12⅞	13	

NYSE Diary

	Close	Prev.
Advanced	1087	1216
Declined	514	406
Unchanged	430	385
Total Issues	2031	2007
New Highs	80	93
New Lows	14	18

Amex Diary

	Close	Prev.
Advanced	364	372
Declined	207	206
Unchanged	228	215
Total Issues	799	793
New Highs	24	29
New Lows	11	17

NASDAQ Diary

	Close	Prev.
Advanced	1,260	1,342
Declined	642	582
Unchanged	2,244	2,222
Total Issues	4,146	4,146

S&P 100 Index Options

Jan. 31

Strike Price	Calls-Last Feb	Mar	Apr	May	Puts-Last Feb	Mar	Apr	May
265	48⅞	—	—	—	⅛	⅛	—	—
270	—	—	—	—	⅛	⅛	—	—
275	50⅜	—	—	—	⅛	⅜	—	—
280	45⅞	44⅞	—	—	⅛	1⅛	2⅛	—
285	40⅝	40⅝	—	—	⅛	1⅛	2½	—
290	35	35	—	—	⅛	1⅜	3⅛	—
295	31	32⅛	—	—	½	2⅛	—	—
300	26⅛	26⅛	29	—	⅝	2⅜	4⅜	6⅝
305	21⅝	25	24	—	⅝	3⅛	5⅛	—
310	16¾	18⅛	22⅝	—	⅞	4⅝	6⅞	8
315	11¾	15⅛	17⅞	—	1⅝	5⅛	8⅝	—
320	7⅝	11⅝	15	16	2⅝	6½	9	12¼
325	4⅝	8⅝	11⅞	—	4⅞	8⅝	11⅝	—
330	2⅜	5⅝	8½	10	7⅝	11	14⅛	16⅜
335	⅞	3⅝	6⅛	—	13	14⅝	17⅝	—

Calls: total vol. 185,677; total open int. 318,529
Puts: total vol. 181,803; total open int. 426,736

	Dec 92	Dec 93	Dec 92	Dec 93
27½	7⅝	—	1⅝	—
30	5⅞	—	2⅛	3⅛
32½	4	—	3⅝	—

Calls: total vol. 319; total open int. 4,725
Puts: total vol. 484; total open int. 28,572
Source: CBOE.

Currency Options

PHILADELPHIA EXCHANGE Jan. 31

Option & Underlying	Strike Price	Calls-Last Feb	Mar	Jun	Puts-Last Feb	Mar	Jun
31,250 British Pounds-cents per unit.							
Pound	185	r	r	r	r	0.30	r
196.65	187½	r	r	r	0.05	0.60	r
196.65	190	r	r	r	r	1.02	r
196.65	192½	3.80	4.26	r	r	r	r
196.65	195	2.00	r	4.22	1.50	2.75	r
196.65	197½	r	r	3.22	r	r	r
196.65	200	0.44	1.05	r	r	r	r
50,000 Canadian Dollars-cents per unit.							
Dollr	85	r	r	r	r	0.34	r
86.04	85½	r	r	r	0.23	r	r
62,500 German Marks-cents per unit.							
Mark	64	r	r	r	r	0.15	0.77
67.79	65	r	2.71	r	0.04	0.20	r
67.79	65½	2.18	r	s	0.11	r	r
67.79	66	r	2.00	2.37	0.14	0.52	1.42
67.79	66½	r	r	s	0.21	0.55	r
67.79	67	0.99	1.19	1.80	0.38	0.85	1.92
67.79	67½	0.52	1.04	s	0.53	r	r
67.79	68	0.45	0.66	r	r	r	r
67.79	68½	0.29	r	s	r	r	r
67.79	69	r	0.38	1.13	r	r	r
67.79	69½	r	0.36	r	r	r	r
67.79	70	r	r	0.73	r	r	r
67.79	71	r	0.14	r	r	r	r
6.25 mil Yen-100ths of a cent per unit.							
Yen	68	r	r	r	r	0.02	r
76.21	69	r	r	r	r	r	0.30
76.21	70	r	r	r	r	0.06	r
76.21	73	r	r	r	r	0.30	r
76.21	76	r	r	r	0.66	r	2.23
76.21	76½	0.59	r	r	s	r	r
76.21	77	0.48	r	1.68	r	r	r
76.21	77½	0.39	r	r	s	r	r
76.21	78	r	0.70	r	r	r	r
76.21	80	r	0.23	r	r	r	r
76.21	82	r	r	0.47	r	r	r
76.21	83	r	r	0.32	r	r	r
62,500 Swiss Francs-cents per unit.							
Franc	76	r	r	r	r	0.22	r
	77½	r	r	s	0.22	r	s
	78	r	r	2.70	0.34	r	r
	79	r	r	r	r	r	2.10
	80	0.34	r	r	r	r	r
	80½	0.35	r	s	r	r	s
	81	0.22	0.59	r	r	r	r
	84	r	0.15	0.71	r	r	r

Total call vol. 7,612; Call open int. 377,644
Total put vol. 23,925; Put open int. 391,827
r—Not traded. s—No option offered.
Last is premium (purchase price).

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
Burham Corp A&B	Q	.47½	3-11	2-22
OMITTED				
Norwich Finl				
USUAL				
Amer Pres Cos	Q	.15	2-28	2-15
Ashland Oil Inc	Q	.35	3-15	2-21
BGS Systems Inc	Q	.15	4-3	2-13
Chevron Corp	Q	.77½	3-11	2-11
Comml Intertech	Q	.17	3-15	3-1
Cousins Properties	Q	.15	2-22	2-11
E-Systems Inc	Q	.18¾	4-3	3-15
Georgia-Pacific Cp	Q	.40	3-11	2-15
Grainger (WW) Inc	Q	.29	3-1	2-11
ITT Corp	Q	.43	4-1	2-11
Jefferson Bancorp	A	.50	2-28	2-11
McKesson Corp	Q	.40	4-1	3-1
Menton Graphics	Q	.06	2-20	2-8
Mercury Finance	Q	.10	3-1	2-15
New Jersey Resour	Q	.37	4-1	3-15
Penn Virginia Corp	Q	.45	3-18	2-25
Poe & Associates	Q	.10	2-26	2-13
Standex Intl	Q	.18	2-25	2-11

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.667	0.665
Coffee, lb	0.83	0.83
Copper electrolytic, lb	1.1785	1.176
Iron FOB, ton	213.00	213.00
Lead, lb	0.33	0.33
Silver, troy oz	3.815	3.815
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	105.17	105.17
Tin, lb	3.6745	3.6622
Zinc, lb	0.585	0.5927

European Futures

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Mar	194.20	194.80	195.00	191.00	192.80	193.00
May	196.40	197.40	197.60	194.00	195.40	195.80
Aug	201.60	202.60	202.00	200.40	200.80	201.20
Oct	201.00	202.00	201.00	200.00	200.20	200.80
Dec	201.00	202.20	201.20	201.20	200.20	202.00
Mar	199.80	201.20	201.20	199.00	198.80	200.00
May	201.60	203.20	202.80	201.00	200.60	202.40
Est. Sales 1,610.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Mar	616	617	618	612	615	617
May	652	653	658	648	654	655
Jul	681	682	683	677	682	683
Sep	710	711	711	707	710	712
Dec	743	744	744	740	745	746
Mar	773	774	774	772	772	773
May	795	796	796	795	795	796
Est. Sales 3,463.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Jan	N.T.	N.T.	530	514	522	523
Mar	524	525	530	520	523	524
May	533	534	538	527	530	531
Jul	548	550	553	544	545	546
Sep	563	565	569	560	563	564
Nov	577	580	584	572	578	579
Jan	591	595	597	587	585	592
Est. Sales 6,049.						

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons					
Mar	294.00	291.30	294.00	294.80	+ 1.50
May	292.00	289.50	289.00	291.00	— 1.30
Aug	298.00	297.00	296.00	297.50	— 0.30
Oct	N.T.	N.T.	270.00	272.00	— 1.00
Dec	N.T.	N.T.	266.00	267.00	— 1.00
Mar	N.T.	N.T.	269.50	271.50	— 1.50

Est. sales 396. Prev. sales 1,912. Open interest 11,904.

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Feb	229.00	224.00	225.75	226.25	— 0.25
Mar	200.50	197.00	198.50	198.50	— 2.25
Apr	184.00	179.00	179.00	179.00	— 3.00
May	178.75	175.25	175.75	176.00	— 1.50
Jun	178.50	174.00	174.75	175.00	— 1.50
Jul	178.50	174.00	174.00	174.00	Unch.
Aug	N.T.	N.T.	N.T.	174.25	+ 0.25
Sep	175.50	175.50	175.50	174.50	— 3.75
Oct	N.T.	N.T.	N.T.	172.00	— 3.00
Est. Sales 9,648. Prev. sales 9,094. Open interest 48,513					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Mar	20.35	19.95	20.05	20.06	+ 0.45
Apr	19.70	19.40	19.50	19.46	+ 0.32
May	19.05	18.85	18.90	18.90	+ 0.33
Jun	18.60	18.60	18.60	18.30	+ 0.05
Jul	18.25	18.25	18.25	18.30	+ 0.05
Aug	18.00	18.00	18.00	18.30	+ 0.05

Est. Sales 18,113. Prev. sales N.A. Open interest N.A.
Sources: Matif, Int'l Petroleum Exchange, Reuters.

London Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1468.00	1470.00	1464.00	1466.00
Forward	1500.00	1502.00	1498.00	1500.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1225.00	1226.00	1228.00	1230.00
Forward	1231.00	1232.00	1238.00	1239.00
LEAD Sterling per metric ton				
Spot	294.00	295.00	294.00	295.00
Forward	305.00	306.00	308.00	308.50
NICKEL Dollars per metric ton				
Spot	8520.00	8530.00	8500.00	8510.00
Forward	8525.00	8530.00	8460.00	8475.00
TIN Dollars per metric ton				
Spot	5580.00	5590.00	5565.00	5570.00
Forward	5690.00	5700.00	5680.00	5685.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1156.00	1157.00	1139.00	1141.00
Forward	1156.00	1157.00	1145.00	1148.00

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DOLLAR: *U.S. Currency Recedes*

(Continued from first finance page)

pfennig on the day, dropping to 2.9045 DM from 2.9231.

Sterling moved up to $1.9663 from $1.9550.

Dealers said the market had all but ruled out an increase in German interest rates after a meeting of the Bundesbank council.

Foreign Exchange

The president of the bank, Karl Otto Pöhl, said Thursday that he hoped that the rate moves would not be misunderstood by Germany's economic partners. He said the action had been taken as an adjustment to current market conditions.

Steve Barrow, an economist at Chemical Bank in London, said, "There was plenty of surprise they raised rates rather than moving to a flexible Lombard rate."

There had been speculation that the Bundesbank would adopt the latter course, which dealers said would have been seen as a less deliberate tightening of monetary policy.

Mr. Barrow said the market would now be looking for possible moves in interest rates by countries whose currencies are weak within the Exchange Rate Mechanism.

The U.S. currency also slipped at 131.58 yen, after a start of 131.65 and a previous finish of 132.10.

Despite the German rate rise, dealers said they were still looking for British interest rates to go down.

Prime Minister John Major said rates would be reduced when it was appropriate, while the chancellor of the Exchequer, Norman Lamont, said the government's "overwhelming" priority was to maintain sterling's current ERM trading bands.

The dollar dropped to 1.2570 Swiss francs, from 1.2710, and to 5.0238 French francs, from 5.0845. *(Reuters, UPI)*

STOCKS: *Optimism Is Renewed*

(Continued from first finance page)

manager. He recalled that when that recession ended, there was also a widespread belief that the Fed's actions to ease credit would not work.

The new optimism can be seen not only in the performance of the Dow Jones industrial average, which has risen about 15 percent since Oct. 11, but also in the fact that the Dow is no longer the market leader.

The Nasdaq composite average has gained 25.5 percent in the same period. But the Dow industrials have done much better than the Dow utilities, up just 2.1 percent.

The relative performance of the Russell 2,000, which measures small stocks, compared with that of the Standard & Poor's 500, dominated by large ones, hit bottom on Nov. 1. That was just before utility stocks reached their recent relative high compared with industrial stocks. Those turning points also came just after the first firm indication that the Fed was easing credit.

News Corp. Names Officer

Compiled by Our Staff From Dispatches

SYDNEY — Debt-troubled News Corp. said Thursday it appointed Augustus Fischer to the new position of chief operating officer.

News Corp. has been struggling to reach a multibillion-dollar debt-restructuring agreement. Press reports have indicated that the chief executive, Rupert Murdoch, had been under pressure to appoint an officer to run the company on a day-to-day basis.

The company said Mr. Fischer, the London-based managing director of News International, will join the board along with Andrew Knight, chairman of News International, and Arthur Siskind, who was with News Corp.'s main U.S. law firm.

(AFP, AP, Reuters)

U.S./AT THE CLOSE

U.S. Backs TWA's Sale to American Of Its Chicago-to-London Operations

WASHINGTON (Combined Dispatches) — The Department of Transportation on Thursday approved the transfer of TWA's Chicago-to-London operations to American Airlines.

In announcing its decision, the Transportation Department said the $110 million cash infusion that TWA would get from the route sale could help bolster the financially struggling airline. The department said it would act separately on American's application to acquire six of TWA's other U.S.-to-London routes.

Last week, Britain's Civil Aviation Authority recommended that rules preventing international airlines from starting new scheduled services into London's Heathrow Airport should be lifted.

In New York on Thursday, Eastern Airlines said that assets it had previously agreed to sell to competing carriers in a series of deals would now be offered to the highest bidder. The bidding process is to take place Monday in New York. *(Reuters, AP)*

USX Corp. and Icahn Reach Accord

NEW YORK (Combined Dispatches) — USX Corp. reached a deal Thursday with its largest shareholder, Carl C. Icahn, under which the company would make its steel operation a separate company by issuing a separate class of stock, as Mr. Icahn had been demanding.

USX said its board approved a plan to distribute to its shareholders a new class of common stock, which would reflect the performance of its steel and diversified businesses. The company also said it had entered into a "standstill" agreement with Mr. Icahn. As part of the new stock plan, USX shareholders would retain their existing common stock, which then would reflect the performance of its energy business.

In Pittsburgh, negotiators worked Thursday to avert a strike against USX by the United Steelworkers, which said up to 20,000 employees in six states were preparing to picket the company unless they got a new contract. *(Reuters, AP)*

Thrift-Bailout Funds Almost Gone

WASHINGTON (Reuters) — Treasury Secretary Nicholas F. Brady said Thursday that Resolution Trust Corp. will have spent all its funds and will be forced to stop closing and selling savings-and-loan institutions by the end of February.

He told the House Banking Committee that if RTC is to continue to carry out its mission of resolving hundreds of failed institutions and paying off their depositors, "then it must have additional funds as soon as possible."

Mr. Brady said additional funds of $30 billion will be required through the end of fiscal year 1991 in order to meet the corporation's estimated operating losses of $47.7 billion.

International Sales Boost Reebok

STOUGHTON, Massachusetts (AP) — Reebok International Ltd. reported Thursday that its fourth-quarter profit rose 13 percent due to strong worldwide sales.

The company said its net was $39.48 million, compared with $34.95 million in the 1989 quarter. Sales jumped 29 percent, to $488.71 million from $377.61 million.

Chairman Paul Fireman said international sales soared 74 percent during the fourth quarter, after adjustment for the acquisition of Reebok's distributor in Britain in 1990. U.S. sales rose 8.4 percent.

For the Record

General Motors Corp., Ford Motor Co. and Chrysler Corp. formed a joint venture, called the United States Advanced Battery Consortium, to find an efficient way to boost the range of electric cars. *(AP)*

UAL Corp. said it had a record fourth-quarter operating loss of $296.6 million, compared with an operating loss of $31.6 million in the year ago period. *(Reuters)*

WORLD STOCK MARKETS

Agence France Presse Jan. 31

Amsterdam	Close	Prev.
ABN Amro Hld	34.50	34.80
ACF Holding	33.30	32.20
Aegon	118.70	119.60
Ahold	64.20	62.80
Akzo	81.20	80
AMEV	50.90	50.90
A'Dam Rubber	3.80	3.50
Bols	181	180.50
Buhrmann Tett	50.20	49.30
Center Parcs	21.75	21.50
CSM	81.80	81.80
DAF	18.40	18.30
DSM	96	95.30
Elsevier	72.70	72.80
Fokker	28	28
Gist-Brocades	28.30	28.40
Heineken	132.70	132.70
Hoogovens	42.80	42.20
Hunter Douglas	57.50	56.30
IHC Caland	45.70	45.70
Inter Mueller	72.50	72.50
KLM	20.50	19.60
KNP	40.40	40
Nat Neder	52.40	55
Nedlloyd	39.50	38.90
NMB Postbank	41.70	42.10
Oce Grinten	41.50	42.10
Pakhoed	148.20	148.50
Philips	22.40	22.70
Robeco	88.30	87.40
Rodamco	55.50	54.30
Rolinco	81.80	81
Rorento	61.30	61.40
Royal Dutch	125	125.50
Unilever	144.80	145.40
Van Ommeren	39.50	39.80
VMF Stork	43.70	44.20
VNU	80	79.70
Wessanen	66	65.90
Wolters Kluwer	47.10	47.30

CBS Gen'l Trend Index : 88.60
Previous : 88.10

Brussels	Close	Prev.
AG Fin	4250	4200
Arbed	3310	3130
Barco	922	944
Bekaert	6710	N.Q.
Cockerill	N.A.	—
Cobepa	4750	4640
Delhaize	6040	5900
EBES	N.A.	—
GB-Inno-BM	4150	4070
GBL	N.Q.	—
Gevaert	4260	4150
Hoboken	N.A.	—
Intercom	1542.5	1512.5
Kredietbank	3350	3265
Petrofina	9810	9820
Royal Belge	3670	3610
Soc Gen Banque	4570	4300
Soc Gen Belgique	1925	1915
Sofina	10400	10050
Solvay	10675	10575
Tractebel	2900	2870
UCB	16900	16625
Unerg Ps	N.A.	—

Current Stock Index : 4934.84
Previous : 4838.22

Frankfurt	Close	Prev.
AEG	190.50	191
Allianz Hold	2190	2148
Altana	473	480.50
Asko	805	789
BASF	208	210.50
Bayer	235.50	231.90
Bay Hypo bank	318	307
Bay Vereinsbk	343	327
BBC	N.Q.	—
BHF Bank	382	372
BMW	394	386.50
Commerzbank	244.50	238.50
Continental	220	224.90
Daimler Benz	550.50	543
Degussa	308.50	304.80
Dt Babcock	145.50	146
Deutsche Bank	613	601
Douglas	720	723
Dresdner Bank	340.10	334
Feldmuehle	450	450
Harpener	480	475
Henkel	472	465
Hochtief	1183	1175
Hoechst	217.20	215.30
Hoesch	191	189.50
Holzmann	1129	1111
Horten	175	172
IWKA	274	268
Kali Salz	131	133
Karstadt	565	557.50
Kaufhof	422	425
KHD	159	160
Kloeckner Werke	111.50	110
Krupp Stahl	128	125
Linde	753	742
Lufthansa	100	101.20
MAN	341	336
Mannesmann	279.50	273
Metallgesell	402	399
Moench Rueck	2250	2170
Nixdorf	289.50	287.50
PKI	505	506.50
Porsche	722	705
Preussag	238.50	235
PWA	200.50	196.50
RWE	371	360.50
Rheinmetall	298	295
Schering	693.50	689
SEL	309.80	307.50
Siemens	596.50	590.70
Thyssen	188	186
Varta	295.70	290
Veba	310	310.50
VEW	204.50	194
Viag	331	325
Volkswagen	330	327
Wella	677.50	680

DAX Index : 1428.80
Previous : 1400.73
FAZ Index : 498.59
Previous : 390.25

Helsinki	Close	Prev.
Amer A	45	48
Enso-Gutzeit	19	16
K.O.P.	31	30
Kymmene	56	56
Nokia	55	53.40
Pohjola	100	91
Stockmann	95	98
United Papers	N.A.	—
Wartsila	N.Q.	—

Unitas Index : 562.40
Previous : 556.80

Hong Kong	Close	Prev.
Bk East Asia	16.50	16.40
Cathay Pacific	7.40	7.25
Cavendish Int'l	3.75	3.70
Cheung Kong	14.10	13.90
China Light Pwr	16.60	16.50
Dairy Farm Int'l	10.70	10.50
Hang Lung Dev	5.75	5.70
Hang Seng Bank	25.40	24.70
Henderson Land	8.95	8.80
HK Air Eng.	15.90	15.90
HK China Gas	10.70	10.70
HK Electric	10.20	10.10
HK Land	7.40	7.55
HK Realty Trust	4.53	4.40
HK Shang Bank	4.88	4.83
HK Shang Hits	4	3.93
HK Telecomm	6.70	6.40
HK Ferry	3.95	3.95
Hutch Whampoa	13.20	13.10
Hysan Dev	1.19	1.19
Jardine Math.	28.30	27.80
Jardine Str Hld	15.10	14.90
Kowloon Motor	5.75	5.75
Mandarin Orient	4.25	4.25
Miramar Hotel	5	5.10
New World Dev	8.10	8.10
SHK Props	16.80	16.20
Stelux	2.90	2.68
Swire Pac A	16.60	16.50
Tai Cheung Prps	3.63	3.58
TVE	0.96	0.94
Wharf Hold	8.45	8.30
Wing On Co	7.80	7.60
Winsor Ind.	7.10	7.05
World Int'l	4.98	4.50

Hang Seng Index : 3343.38
Previous : 3280.87

Johannesburg	Close	Prev.
AECI	13.50	13.50
Altech	80	80
Anglo Amer	84.50	84.50
Barlows	36	35.25
Blyvoor	10.15	10.15
Buffels	38	38
GFSA	57	57
Harmony	23.25	23
Highveld Steel	13.15	13.15
Kloof	24.25	24.25
Nedbank Grp	10.10	10.10
Rusplat	51	51
SA Brews	39	38.50
St Helena	27	27
Sasol	12.50	12.60
Welkom	16.75	16.75
Western Deep	85	83

Composite Stock Index : 2553
Previous : 2526

London	Close	Prev.
Allied Lyons	4.84	4.84
Anglo Am Gld	N.Q.	30.38
AA Corp	N.Q.	12.81
Asda-MFI Gp	1.19	1.17
Ass Brit Foods	4.85	4.80
Barclays	3.70	3.58
Bass	9.45	9.38
B.A.T.	6.18	6.04
Blue Circle	2.19	2.18
BOC Group	5.30	5.25
Boots	3.26	3.25
Bowater	4.58	4.48
BAe	5.48	5.40
BAA	3.60	3.48
Brit Airways	1.40	1.33
British Gas	2.37	2.33
BP	3.03	2.99
British Steel	1.27	1.20
Brit Telecom	2.91	2.89
BTR	3.40	3.31
Burmah Oil	5.01	5
Cable Wire	4.77	4.70
Cadbury Sch	3.38	3.37
Charter Cons	4.12	4.07
Comm Union	4.78	4.66
Cookson	1.04	1
Courtaulds	3.20	3.21
Dalgety	3.50	3.50
De Beers	9.69	9.53
Dixons	1.45	1.45
Driefontein	N.Q.	5.85
Eurotunnel	4.35	4.35
Fisons	3.70	3.60
Gen Acc F	4.94	4.87
GEC	1.83	1.84
GKN	3.18	3.20
Glaxo	8.87	8.75
Grand Met	6.63	6.54
Gt Univ Stores	14.25	14.25
GRE	1.95	1.92
Guinness	7.57	7.50
Hanson Tr	1.97	2.02
Hawker Sidd	4.63	4.53
ICI	9.33	9.15
Kingfisher	3.80	3.77
Land Sec	5.42	5.41
Legal Gen Grp	3.92	3.83
Lloyds Bank	2.99	3
Lonrho	1.94	1.91
Lucas Ind	1.35	1.37
Marks Sp	2.23	2.29
Maxwell	1.42	1.44
MB Group	1.43	1.40
Midland Bk	1.64	1.61
NatWest	2.77	2.67
Pearson Grp	6.56	6.40
P and O	5.06	4.98
Pilkington	1.80	1.84
Prudential	2.10	2.08
Racal Elec	1.80	1.81
Randfontein	N.Q.	1.78
Rank Org	5.94	6
Reed Int'l	3.65	3.57
Reuters	7.77	7.48
Rolls Royce	1.48	1.46
Royal Dutch	N.Q.	—
RTZ	4.59	4.45
Saatchi	0.22	0.22
Sainsbury	3.21	3.26
Sears Holds	0.82	0.84
Shell	4.34	4.33
Skbeec	6.50	6.42
STC	3.15	3.15
Std Chart Bk	2.14	2.11
Storehouse	1.05	1.05
Sun Alliance	3.44	3.42
Tate and Lyle	2.94	2.94
Tesco	2.40	2.36
Thorn EMI	6.37	6.40
T.I. Group	3.78	3.73
Trafalgar Hse	2	2.03
THF	2.22	2.24
Ultramar	3.08	3.06
Unilever	6.77	6.76
Utd Biscuits	3.42	3.41
Vickers	1.94	1.96
War Loan 3½	N.Q.	34.88
Wellcome	4.67	4.55
Woolworth	N.Q.	—

F.T. 30 Index : 1691.90
Previous : 1684.30
F.T.S.E. 100 Index : 2170.30
Previous : 2152.60

Madrid	Close	Prev.
Bco. Bilbao/Viz.	2420	2440
Banco Central	4310	4310
Bco. Santander	4645	4670
Banesto	3170	3230
CEPSA	1590	1585
Dragados	2395	2455
Iberduero	687	695
Telefonica	890	892

S.E. General Index : 231.35
Previous : 232.22

Milan	Close	Prev.
Banco Comm	3875	3840
Bastogi	264	268
Ciga hotels	2250	2180
CIR	2220	2120
Cred Ital	2359	2225
Enimont	1325	1395
Eridania	6645	6530
Ferruzzi Fin.	1961	1932
Ferruzzi Agr.	N.Q.	—
Fiat SPA	4765	4750
Generali	29700	29600
IFI	12125	12050
Italcem	18675	18450
Italgas	2430	2402
Italmobiliare	40500	40000
Mediobanca	13450	13350
Montedison	N.A.	—
Olivetti	2970	2950
Pirelli	1470	1470
RAS	15800	15800
Rinascente	5010	4950
Saipem	1070	1020
SIP	1209	1195
SME	2685	2450
Snia	1310	1270
Standa	29100	28450
Stet	1898	1869
Toro Assi Risp	19065	18900

MIB current index : 965.00
Previous : 954.00

Montreal	Close	Prev.
Alcan Aluminum	24⅜	24¼
Bank Montreal	32⅛	32
Bell Canada	39⅝	40⅛
Bombardier A	17	16⅝
Bombardier B	15⅝	15⅜
Cambior	10⅛	10⅜
Cascades	4.10	4
Dominion Text A	5⅝	5⅝
Donohue	11½	11⅛
MacMillan Bl	17⅛	17
Memotec	7⅛	7⅛
Nat'l Bk Canada	9⅛	8⅞
Noverco	N.Q.	—
Power Corp.	16½	16⅜
Provigo	10½	10⅜
Quebec Tel	14⅜	14⅜
Quebecor A	16⅛	16¼
Quebecor B	15	14⅞
Videotron	13½	13¼

Industrials Index : 1277.68
Previous : 1264.83

Paris	Close	Prev.
Accor	634	627
Air Liquide	638	649
Alcatel Alsthom	540	546
Avions Dassault	470	461
Bancaire (Cie)	511	512
BIC	524	515
Bongrain	2320	2340
Bouygues	486	477
BSN-GD	770	772
Carrefour	3368	3382
Cerus	110.20	115.10
Chargeurs	684	707
Club Med	409	408.70
Elf-Aquitaine	282.50	284.80
Europe 1	1060	1020
Gen. Eaux	2293	2282
Hachette	177	179
Havas	395	390
Imetal	230	233.70
Lafarge Coppee	327.50	330
Legrand	3455	3400
Oreal (L')	473	472.90
L.V.M.H.	3242	3245
Matra	269	284.80
Merlin Gerin	470	459
Michelin B	76.80	77.80
Moulinex	82.10	81.20
Occidentale	668	660
Paribas	460	464
Pernod-Ricard	1010	968
Perrier	1222	1231
Peugeot	428	437
Printemps (Au)	540	534
Radiotechnique	301	300
Raff. St. Louis	1216	1215
Redoute (La)	3415	3418
Roussel Uclaf	1700	1660
Saint Gobain	372.10	367.90
Sanofi	820	802
S.E.B.	1179	1187
Skis Rossignol	625	629
Ste Generale A	398	389
Suez	290.20	291.50
Telemecanique	N.A.	—
Thomson-CSF	131.80	132.50
Total	565	566
Valeo	340	339

CAC 40 Index : 1580.67
Previous : 1562.45

Saopaulo	Close	Prev.
Banco do Brasil	48.40	46
Bradesco	5.50	5.50
Brahma	28	18.50
Paranapanema	1.43	1.44
Petrobras	350	330
Vale Rio Doce	63.80	57.20
Varig	17.50	17.58

Bovespa Index : 47480
Previous : 45710

Singapore	Close	Prev.
City Dev.	2.87	2.79
DBS	9.75	9.70
Fraser Neave	7.75	7.70
Genting	N.Q.	—
Harrisons Plant	1.41	1.39
Haw Par	2.97	1.99
Hume	3.50	3.52
Inchcape	3.90	3.84
Keppel	6.45	6.25
KL Kepong	2.64	2.70
Lum Chang	0.94	0.93
Malayan Banks	4.26	4.18
OCBC	7.55	7.50
OUB	4.84	4.82
OUE	5.35	5.20
Sembawang	5.90	5.65
Shangrila	5.40	5.10
Sime Darby	2.66	2.60
SIA	10.30	10.30
S'pore Land	5.45	5.40
S'pore Press	7.78	7.65
Sing Steamship	2.64	2.53
Straits Trading	2.46	2.43
UOB	4.15	4.15
United Overseas	1.42	1.36

Straits Times Ind. : 1267.25
Previous : 1248.74

Stockholm	Close	Prev.
AGA	275	270
Alfa Laval	248	247
Asea	580	571
Astra -A	440	445
Atlas Copco	212	214
Electrolux B	180	189
Ericsson	200	208
Esselte-A	110	110
Handelsbanken	N.A.	—
Norsk Hydro	162	158.50
Procordia AF	152	150
Saab-Scania	200	200
Sandvik	270	265
SCA-A	116	115
S-E. Banken	62	61
Skandia F	N.A.	—
Skanska	335	327
SKF	92.50	89.50
Stora	300	295
Trelleborg B	106	107
Volvo	238	240

Affaersvaerlden : 946.60
Previous : 942.07

Sydney	Close	Prev.
ANZ	3.47	3.44
BHP	10.30	10.15
Boral	3.64	3.53
Bougainville	0.79	0.79
Coles Myer	8.52	8.46
Comalco	3.88	3.77
CRA	9.92	9.76
CSR	4.97	4.92
Dunlop	4.97	4.59
Elders IXL	0.43	0.43
ICI Australia	3.85	3.72
Magellan	2.05	2.03
MIM	1.49	1.47
Nat Aust Bank	5.90	5.80
News Corp	5.70	5.24
N Broken Hill	1.97	1.96
Poseidon	1.25	1.29
QCT Resources	1.13	1.10
Santos	3.62	3.68
TNT	1.35	1.28
Western Mining	4.18	4.10
Westpac Banking	3.99	3.88
Woodside	2.58	2.60

All ordinaries index : 1321.60
Previous : 1313.90

Tokyo	Close	Prev.
Akai Electr	530	545
Asahi Chemical	680	682
Asahi Glass	1170	1180
Bank of Tokyo	1060	1060
Bridgestone	981	971
Canon	1280	1260
Casio	950	950
C.Itoh	655	650
Dai Nippon Print	1430	1410
Daiwa House	1830	1860
Daiwa Securities	1170	1130
Fanuc	4190	4230
Fuji Bank	2620	2620
Fuji Photo	3370	3380
Fujitsu	985	980
Hitachi	1110	1110
Hitachi Cable	888	895
Honda	1140	1150
Ito Yokado	3630	3630
Japan Airlines	1080	1050
Kajima	1530	1050
Kansai Power	2970	2940
Kawasaki Steel	406	402
Kirin Brewery	1430	1420
Komatsu	885	870
Kubota	620	614
Kyocera	6050	6090
Matsu Elec Inds	1640	1650
Matsu Elec Wks	1430	1470
Mitsubishi Bk	2330	2320
Mitsubishi Kasei	565	556
Mitsubishi Elec	663	650
Mitsubishi Hev	713	710
Mitsubishi Corp	1270	1280
Mitsui and Co	695	711
Mitsukoshi	1720	1150
Mitsumi	1110	1080
NEC	1370	1370
NGK Insulators	1030	1050
Nikko Securities	889	892
Nippon Kogaku	1090	1100
Nippon Oil	870	842
Nippon Steel	446	447
Nippon Yusen	549	551
Nissan	703	707
Nomura Sec	1750	1740
NTT (SF)	8880	8870
Olympus Optical	931	930
Pioneer	4420	4490
Ricoh	685	682
Sanyo Elec	542	546
Sharp	1190	1220
Shimazu	708	710
Shinetsu Chem	1210	1180
Sony	6220	6290
Sumitomo Bk	2070	2070
Sumitomo Chem	445	448
Sumi Marine	948	947
Sumitomo Metal	423	439
Taisei Corp	900	906
Taisho Marine	985	980
Takeda Chem	1610	1640
TDK	4570	4630
Teijin	512	512
Tokyo Marine	1270	1290
Tokyo Elec Pw	3610	3610
Toppan Printing	1320	1330
Toray Ind.	608	613
Toshiba	677	678
Toyota	1730	1700
Yamaichi Sec	873	872

Nikkei 225 : 23293
Previous : 23410
Topix Index : 1711
Previous : 1711

Toronto	Close	Prev.
Abitibi Price	12⅜	13⅛
Agnico Eagle	5⅜	4
Air Canada	8⅜	8⅜
Alberta Energy	15½	15⅛
Am Barrick Res	22⅝	21⅞
BCE	40	40
BCED	N.Q.	0.10
Bk Nova Scotia	13⅛	13⅛
BC Gas	14⅛	14⅜
BC Phone	19	18⅞
BP Canada	15⅜	15⅜
Bramalea	5½	5½
Brunswick	7½	N.Q.
CAE	4½	4⅛
Campeau	0.45	0⅝
CIBC	28⅞	28½
Canadian Pacific	20⅛	20⅛
Can Packers	17⅛	11⅞
Can Tire A	23⅛	22¾
Cantor	22⅝	N.Q.
Cara	15⅛	15⅜
CCL Ind B	9⅛	8⅞
Cineplex	2.80	2.40
Cominco	21⅛	21
Conwest Expl A	N.Q.	—
Corona A	3.85	3⅝
Denison Mln B	0.48	0.48
Dickenson Mln A	N.Q.	3.45
Dofasco	17⅛	17⅛
Dylex A	2.75	2.70
Echo Bay Mines	8⅜	8⅜
Equity Silver A	0.74	0.66
FCA Int'l	7⅜	N.Q.
Fed Ind A	8⅜	7½
Fletcher Chall A	15⅜	15
FPI	5⅝	5⅛
GoldCorp	3.95	4
Gulf Cda Res	8⅜	8⅝
Hees Int'l	16⅛	16⅛
Hemlo Gld Mines	8⅜	9
Hollinger	11½	11⅜
Horsham	8⅝	8½
Hudson Bay	N.Q.	—
Imasco	27⅜	27⅛
Inco	33½	32⅛
Interhome	46½	46⅛
Jannock	13	12⅞
Labatt	22½	22⅛
Loblaw Co	18	18⅛
Mackenzie	7⅜	7⅞
Magna Int'l A	2½	2.30
Maritime	18⅛	18⅜
Mark Res	7⅜	7⅛
MacLean Hunt X	9⅜	9⅛
Molson A	36	35⅛
Noma Ind A	4.40	4.45
Noranda	N.Q.	—
Noranda Forest	8⅜	7⅜
Norcen Energy	23⅛	23⅛
Nova Corp	8⅜	8⅜
Oshawa	34⅛	34
Pagurin A	5⅜	5⅛
Placer Dome	15⅞	15⅜
Poco Petroleum	7⅛	7⅜
PWA Corp	7⅜	8
Quebec Sturgeon	N.Q.	—
Rayrock	N.Q.	7⅛
Renaissance	13⅜	13⅜
Rogers B	7⅛	7⅛
Rothmans	N.Q.	—
Royal Bank Can	24½	24⅛
Royal TrustCo	8⅜	8⅜
Sceptre Res	3.45	3.45
Scott's Hosp	14⅛	14½
Seagram	102⅞	102
Sears Can	10	10
Shell Can	36⅛	37⅛
Sherritt Gordon	6⅛	6⅛
SHL Systemhse	4.80	4.45
Southam	18⅛	17⅛
Spar Aerospace	12	12
Stelco A	9⅝	9⅞
Teck B	18⅞	19⅜
Thomson News	14⅛	14⅜
Toronto Domn	18⅞	18⅛
Torstar B	24⅜	24⅞
Transalta Util	12⅛	12⅛
TransCda Pipe	16⅛	16⅛
Trilon Finl A	11⅛	11⅛
Trimac	6⅛	6⅛
Trizec A	13⅛	12⅞
Turbo Resources	N.A.	—
Unicorp A	0.40	N.Q.
Woodward's Ltd	1.65	1.65

TSE 300 Index : 3368.99
Previous : 3361.80

Zurich	Close	Prev.
Adia Intl	795	820
Alusuisse	960	966
Leu Holdings	1100	1120
Brown Boveri	3970	4020
Ciba Geigy	2460	2460
CS Holding	1620	1625
Elektrow	2940	2970
Fischer	1300	1300
Interdiscount	2740	2800
Jacobs Suchard	5700	5700
Jelmoli	1430	1410
Landis Gyr	1000	1000
Moevenpick	4150	4220
Nestle	7540	7610
Oerlikon-B	530	520
Pargesa Hld	990	1001
Roche Holding B	3810	3820
Safra Republic	75	74
Sandoz	2040	2040
Schindler	4340	4280
Sulzer	345	346
Surveillance	6020	6040
Swissair	805	780
SBC	287	286
Swiss Reinsur	574	578
Swiss Volksbank	1140	1150
Union Bank	3000	3020
Winterthur	3800	3840
Zurich Ins	1990	2010

SBS Index : 533.48
Previous : 533.80

U.S. FUTURES

Via Associated Press Jan. 31

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.85	2.44½	Mar	2.62	2.63¼	2.57½	2.63	+.02¼
3.73	2.54¾	May	2.69	2.72	2.66½	2.71¼	+.02½
3.63	2.62	Jul	2.78¼	2.80½	2.75	2.80	+.02¼
3.26	2.69½	Sep	2.84	2.86½	2.82	2.86½	+.03
3.17	2.81½	Dec	2.97½	2.99½	2.95½	2.99¼	+.02½
3.70¾	2.89¾	Mar	3.04¾	3.05¾	3.04¾	3.05¾	+.01½
Est. Sales Prev. Sales 9,486							
Prev. Day Open Int. 48,392 up 194							
WHEAT (KCBT) 5,000 bu minimum- dollars per bushel							
		Mar	2.63	2.64½	2.62¼	2.66¼	+ .03
		May	2.69¼	2.73	2.68¾	2.72	+ .03½
		Jul	2.75½	2.78½	2.75¼	2.78	+ .02½
		Sep	2.82½	2.84	2.82½	2.84	+ .02¼
		Dec				2.93	+ .02
		Mar				2.96	
Est. Sales PrvSales 3,842 Prev.Day Open Int 24,109 Chg. —440							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
3.02½	2.27¼	Mar	2.41¼	2.44¾	2.42¾	2.44¼	+.00¾
3.06½	2.35	May	2.51	2.52¾	2.50¾	2.52½	+.01¼
3.08¼	2.41½	Jul	2.57	2.57	2.56¼	2.58½	+.01
2.87½	2.48¼	Sep	2.57½	2.59½	2.57½	2.58¼	+.00½
2.75	2.42½	Dec	2.59½	2.61	2.58½	2.60¼	+.00½
2.70	2.49	Mar	2.66	2.67	2.65½	2.66¼	+.00¼
2.72	2.58¼	May	2.70	2.71	2.69½	2.70½	—.00½
Est. Sales Prev. Sales 31,224							
Prev. Day Open Int.220,419 off 424							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.03	5.49½	Mar	5.62½	5.67¾	5.62¼	5.66¾	+.03
7.11	5.61	May	5.78¼	5.81½	5.76½	5.80½	+.02¼
7.18	5.76	Jul	5.91	5.94¾	5.90¼	5.93½	+.02¼
6.95	5.82	Aug	5.94½	5.99½	5.94½	5.98	+.02
6.54	5.83½	Sep	5.99¼	6.01	5.98	6.00	+.02
6.74	5.90¼	Nov	6.06¼	6.10	6.05	6.08¼	+.02
6.42½	6.02½	Jan	6.18½	6.21½	6.17½	6.21	+.02
6.54	6.11¾	Mar	6.31½	6.33	6.30	6.33½	+.02
		May				6.43	+.02
Est. Sales Prev. Sales 27,986							
Prev. Day Open Int.108,735 up 1,339							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
212.00	160.60	Mar	161.50	164.10	161.50	163.80	+1.70
208.00	165.50	May	166.50	168.50	166.30	168.30	+1.40
209.00	170.00	Jul	171.20	173.30	171.10	172.90	+1.50
195.50	172.50	Aug	173.30	174.80	173.30	174.80	+1.50
193.50	173.00	Sep	174.30	176.00	174.30	175.50	+1.30
189.00	172.50	Oct	176.30	177.00	176.30	177.00	+1.50
191.50	174.00	Dec	178.90	180.50	178.90	180.20	+1.30
190.50	177.50	Jan	180.70	180.70	180.50	180.50	+1.70
Est. Sales Prev. Sales 13,783							
Prev. Day Open Int. 60,503 off 633							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.61	19.82	Mar	21.70	21.79	21.50	21.63	—.09
25.55	20.15	May	22.07	22.14	21.86	22.00	—.09
25.60	20.85	Jul	22.33	22.35	22.13	22.27	—.04
25.50	20.90	Aug	22.35	22.37	22.16	22.27	+.02
25.10	21.08	Sep	22.20	22.25	22.20	22.20	
24.90	21.08	Oct	22.25	22.25	22.15	22.20	
24.00	21.17	Dec	22.35	22.45	22.15	22.32	—.03
22.95	21.00	Jan				22.22	+.02
22.95	20.10	Mar				22.22	+.02
		May				22.22	+.02
Est. Sales Prev. Sales 12,117							
Prev. Day Open Int. 73,192 up 1,166							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
78.42	72.50	Feb	78.37	78.70	78.15	78.60	+.30
78.05	74.15	Apr	77.35	77.40	77.27	77.52	+.25
75.45	72.15	Jun	74.85	75.00	74.75	74.85	+.05
73.95	70.35	Aug	73.90	73.90	73.65	73.70	—.12
73.95	70.70	Oct	73.90	73.95	73.72	73.80	—.10
74.40	71.75	Dec	74.25	74.25	74.10	74.15	—.10
74.45	72.80	Feb	74.10	74.20	74.10	74.15	—.05
Est. Sales 13,192 Prev. Sales 14,445							
Prev. Day Open Int. 75,054 up 616							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
93.80	79.75	Jan	90.75	90.80	90.70	90.72	—.05
87.50	80.50	Mar	87.35	87.75	87.27	87.47	+.40
85.70	81.20	Apr	85.65	85.80	85.55	85.77	+.25
84.45	80.20	May	84.15	84.25	84.07	84.20	+.25
84.25	80.20	Aug	84.05	84.25	84.05	84.20	+.20
83.65	79.75	Sep	83.85	84.00	83.85	83.90	+.15
83.45	80.20	Oct	83.80	83.80	83.70	83.75	+.20
83.70	81.20	Nov	83.70	83.70	83.70	83.85	+.15
Est. Sales 1,481 Prev. Sales 1,667							
Prev. Day Open Int. 13,295 up 159							
HOGS (CME) 30,000 lbs.- cents per lb.							
54.45	45.25	Feb	53.68	53.70	52.30	52.40	—1.10
51.80	43.60	Apr	51.25	51.30	50.37	50.50	—.55
54.10	47.70	Jun	55.30	55.37	54.55	54.62	—.40
55.95	48.30	Jul	55.10	55.18	54.40	54.40	—.70
53.50	46.90	Aug	53.15	53.25	52.20	52.32	—.65
48.20	42.50	Oct	47.95	47.95	47.15	47.15	—.62
48.50	44.50	Dec	47.65	47.65	47.20	47.20	—.65
48.25	44.50	Feb	47.65	47.65	47.65	47.40	—.60
Est. Sales 9,425 Prev. Sales 7,056							
Prev. Day Open Int. 25,868 up 59							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
73.80	48.07	Feb	68.08	69.80	66.72	67.10	—1.57
74.45	49.20	Mar	68.25	68.40	66.07	66.20	—1.87
73.12	49.50	May	68.50	68.60	66.30	66.30	—2.00
72.80	58.75	Jul	67.10	67.25	64.65	64.65	—2.80
70.05	51.60	Aug	64.02	64.02	63.05	63.05	—2.00
63.00	61.10	Feb	62.00	62.00	62.00	62.00	—.50
61.00	61.80	Mar				61.90	—.50
Est. Sales 6,476 Prev. Sales 5,631							
Prev. Day Open Int. 11,566 off 116							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
116.75	82.20	Mar	83.00	83.45	82.30	83.00	+.05
123.00	84.85	May	85.70	86.00	85.00	85.60	
111.50	87.40	Jul	88.30	88.55	87.05	88.18	—.20
113.50	89.90	Sep	90.40	90.65	90.00	90.25	—.25
116.00	93.00	Dec	93.70	93.70	92.90	93.15	—.30
107.50	95.50	Mar	96.00	96.10	96.00	96.10	
100.00	100.00	May				97.75	+1.25
Est. Sales Prev. Sales 9,465							
Prev. Day Open Int. 44,684 up 272							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
15.22	8.45	Mar	8.65	8.80	8.65	8.79	+.10
15.05	8.70	May	8.75	8.87	8.74	8.86	+.09
14.90	8.73	Jul	8.78	8.89	8.77	8.88	+.09
14.40	8.79	Oct	8.81	8.93	8.81	8.93	+.10
10.14	8.82	Mar	8.93	9.04	8.93	9.04	+.12
9.77	8.92	May				9.09	+.12
Est. Sales Prev. Sales 12,563							
Prev. Day Open Int.128,864 up 1,441							
COCOA (NYCSCE) 10 metric tons-$ per ton							
1581	607	Mar	1125	1132	1121	1128	+6
1572	1000	May	1160	1171	1159	1165	+2
1590	1060	Jul	1203	1211	1200	1202	
1515	1230	Sep	1232	1240	1233	1240	+6
1535	1276	Dec	1284	1290	1280	1282	+3
1538	1239	Mar				1324	+5
1385	1385	May				1355	+5
Est. Sales 3,103 Prev. Sales 7,806							
Prev. Day Open Int. 40,508 off 448							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
198.50	101.20	Mar	121.90	123.30	117.75	117.90	—3.45
190.00	101.50	May	123.00	124.50	119.25	119.25	—3.30
180.00	102.50	Jul	124.00	125.00	120.50	120.50	—3.10
125.50	106.00	Sep	124.50	124.50	124.20	121.30	—2.90
Est. Sales Prev. Sales 389							
Prev. Day Open Int. 6,584 off 79							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
120.80	99.50	Feb	108.20	108.20	107.20	107.20	—.25
122.60	92.30	Mar	107.70	107.80	106.30	106.40	—.30
117.90	99.85	Apr	106.20	106.50	105.80	105.90	—.20
117.80	97.00	May	105.60	105.85	105.00	105.00	—.20
115.80	102.30	Jun	105.00	105.00	105.00	104.60	—.15
113.50	96.50	Jul	104.90	104.98	104.00	104.10	—.10
107.50	102.00	Aug	104.30	104.30	104.30	103.85	—.10
112.90	95.50	Sep	104.00	104.20	103.50	103.30	—.10
106.00	101.50	Oct				103.00	—.10
105.00	101.80	Nov				102.70	—.05
108.50	94.50	Dec	103.10	103.10	102.50	102.40	
104.50	99.55	Jan	102.50	102.50	102.50	102.05	
106.80	96.80	Mar				101.45	
106.20	100.00	May	101.70	101.70	101.70	100.85	
103.00	102.00	Jul				100.55	
103.00	102.00	Sep				100.35	
Est. Sales 6,000 Prev. Sales 4,642							
Prev. Day Open Int. 36,597 up 133							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
399.0	388.5	Feb	381.5	384.0	381.5	382.0	+2.5
665.0	376.0	Mar	384.0	385.5	382.5	385.1	+2.4
		Apr				387.3	
647.8	381.0	May	388.5	391.0	388.8	390.3	+2.4
667.5	386.5	Jul	393.5	396.0	392.5	395.3	+2.4
654.0	391.0	Sep	399.5	399.5	399.5	400.6	+2.4
623.5	398.0	Dec	405.5	407.5	405.5	406.6	+2.4
596.0	404.0	Jan				409.8	+2.4
613.0	409.0	Mar				415.8	+2.4
589.0	416.5	May				421.1	+2.4
557.0	420.0	Jul				426.3	+2.4
482.5	427.5	Sep				432.1	+2.4
Est. Sales 8,000 Prev. Sales 9,125							
Prev. Day Open Int. 90,920 off 445							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
554.50	380.00	Apr	387.50	390.00	385.00	386.50	+4.00
528.50	385.00	Jul	391.00	393.00	388.50	390.20	+4.00
513.00	389.00	Oct	395.00	395.00	392.50	393.50	+3.90
451.50	395.30	Jan	398.00	398.50	398.00	397.80	+3.70
438.50	438.50	Apr	404.00	404.00	404.00	403.00	+2.90
Est. Sales Prev. Sales 2,784							
Prev. Day Open Int. 15,406 off 487							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
142.00	80.55	Mar	84.00	85.00	83.60	84.75	+1.60
125.25	82.00	Jun	84.40	85.50	84.25	85.05	+1.60
119.40	82.50	Sep	86.00	86.00	86.00	85.45	+1.60
114.50	85.10	Dec				86.40	+1.60
135.75	135.75	Mar				87.15	+1.60
Est. Sales Prev. Sales 269							
Prev. Day Open Int. 4,457 off 57							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
457.50	362.00	Feb	369.00	369.20	365.50	365.80	—3.00
408.50	369.80	Mar	369.30	369.30	367.00	366.80	—2.90
460.00	364.20	Apr	371.50	372.00	368.30	368.50	—3.00
446.20	370.50	Jun	375.20	375.50	371.00	371.90	—3.00
468.00	375.00	Aug	375.00	376.00	375.00	375.10	—3.10
476.00	385.00	Oct	381.00	381.00	379.50	378.70	—3.10
483.00	382.00	Dec	385.00	385.00	382.50	382.30	—3.10
456.50	385.50	Feb	387.50	387.50	387.50	386.00	—3.10
446.00	394.00	Apr	391.00	391.00	391.00	389.50	—3.10
467.00	398.50	Jun				393.20	—3.00
426.50	412.50	Aug				397.20	—3.00
410.80	410.80	Oct				401.00	—2.90
		Dec				405.00	—2.70
Est. Sales 35,000 Prev. Sales 71,974							
Prev. Day Open Int. 98,001 up 2,255							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
94.20	91.66	Mar	93.96	94.01	93.96	93.99	+.02
94.32	91.52	Jun	94.16	94.20	94.16	94.18	+.02
94.22	91.60	Sep	94.05	94.05	94.05	94.05	+.04
93.96	92.24	Dec	93.86	93.86	93.86	93.84	+.05
93.82	93.47	Mar				93.80	+.02
		Jun				93.72	
Est. Sales Prev. Sales 7,576							
Prev. Day Open Int. 54,390 up 787							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
101.210	97.000	Mar	101.040	101.105	101.035	101.090	+.040
101.120	99.010	Jun	100.260	101.000	100.260	100.310	+.040
Est. Sales Prev. Sales 73,995							
Prev. Day Open Int.							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
100-6	92-23	Mar	99-9	99-16	99-7	99-13	+4
99-22	93-18	Jun	98-29	99-2	98-29	98-31	+3
98-19	97	Sep	98-19	98-21	98-17	98-18	+3
Est. Sales Prev. Sales 18,418							
Prev. Day Open Int. 74,016 off 368							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
99-12	77-21	Mar	96-6	96-15	95-31	96-10	+5
99-4	82-18	Jun	95-22	95-30	95-16	95-25	+5
99-5	85-29	Sep	94-30	95-12	94-30	95-8	+5
98-20	85-19	Dec	94-25	94-25	94-23	94-22	+5
98-13	85-14	Mar	94-8	94-10	94-3	94-7	+5
97-19	85-3	Jun	93-20	93-25	93-20	93-22	+5
93-10	87-14	Sep	93-8	93-9	93-8	93-8	+5
94-11	85-6	Dec				92-25	+5
Est. Sales Prev. Sales226,134							
Prev. Day Open Int.261,614 off 152							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
92-30	85	Mar	91-16	91-26	91-14	91-20	+3
91-28	84-26	Jun	91-6	91-13	91-6	91-8	+3
91-8	84-7	Sep				91	+3
Est. Sales Prev. Sales 1,840							
Prev. Day Open Int. 10,395							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.96	89.56	Mar	92.89	92.96	92.89	92.94	+.03
93.06	89.91	Jun	92.96	93.02	92.95	93.00	+.03
92.96	90.04	Sep	92.81	92.86	92.81	92.85	+.04
92.65	90.04	Dec	92.54	92.59	92.53	92.58	+.04
92.58	90.09	Mar	92.45	92.49	92.44	92.46	+.01
92.27	90.35	Jun	92.20	92.22	92.19	92.21	+.01
92.05	90.38	Sep	91.98	92.01	91.97	91.99	+.01
91.77	90.24	Dec	91.70	91.73	91.68	91.71	+.01
91.68	90.26	Mar	91.65	91.67	91.64	91.67	+.02
91.56	90.27	Jun	91.50	91.55	91.50	91.56	+.03
91.49	90.27	Sep	91.45	91.48	91.45	91.48	+.03
91.37	90.22	Dec	91.32	91.33	91.30	91.33	+.03
91.34	90.24	Mar	91.30	91.31	91.30	91.31	+.04
91.26	90.40	Jun	91.21	91.22	91.21	91.22	+.04
91.22	90.36	Sep	91.17	91.18	91.15	91.17	+.04
91.88	90.74	Dec	91.09	91.10	91.07	91.09	+.04
Est. Sales Prev. Sales 90,401							
Prev. Day Open Int.652,908 off 1,051							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9940	1.6610	Mar	1.9484	1.9536	1.9406	1.9516	+78
1.9318	1.7660	Jun	1.9196	1.9224	1.9160	1.9222	+84
1.9000	1.8300	Sep	1.8960	1.8960	1.8960	1.8960	+24
Est. Sales Prev. Sales 18,185							
Prev. Day Open Int. 29,797 up 1,322							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8668	.7990	Mar	.8557	.8565	.8539	.8558	—9
.8598	.7995	Jun	.8498	.8502	.8480	.8499	—9
.8545	.7985	Sep				.8451	—9
.8488	.8175	Dec	.8405	.8405	.8405	.8404	—9
.8360	.8268	Mar				.8361	—9
Est. Sales Prev. Sales 3,414							
Prev. Day Open Int. 26,342 off 310							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6800	.5820	Mar	.6726	.6770	.6709	.6748	+80
.6777	.6233	Jun	.6685	.6733	.6671	.6730	+78
.6710	.6391	Sep	.6695	.6695	.6695	.6694	+78
.6595	.6340	Dec				.6662	+78
Est. Sales Prev. Sales 35,259							
Prev. Day Open Int. 54,570 off 1,889							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008040	.006315	Mar	.007587	.007616	.007562	.007614	+6
.008010	.006645	Jun	.007572	.007598	.007561	.007596	+5
.007870	.007346	Sep				.007585	+4
		Dec				.007582	+3
Est. Sales Prev. Sales 27,281							
Prev. Day Open Int. 47,452 up 1,541							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8055	.6500	Mar	.7904	.7968	.7886	.7944	+58
.8030	.7065	Jun	.7872	.7933	.7872	.7922	+54
.8000	.6916	Sep				.7902	+50
.7990	.7700	Dec				.7892	+50
Est. Sales Prev. Sales 26,867							
Prev. Day Open Int. 31,863 up 761							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
79.80	63.82	Mar	79.43	79.60	78.95	79.09	—.34
78.70	64.40	May	78.40	78.50	78.00	78.10	—.48
78.38	65.67	Jul	77.25	77.45	76.90	77.12	—.18
72.85	66.77	Oct	69.10	69.30	69.00	69.00	
69.10	63.75	Dec	65.90	66.14	65.75	66.00	+.10
68.50	64.65	Mar	66.55	66.60	66.31	66.68	+.23
67.20	65.10	May	66.50	66.89	66.30	66.89	+.54
		Jul	66.50	66.50	66.50	66.85	+.35
Est. Sales Prev. Sales 9,000							
Prev. Day Open Int.							
HEATING OIL (NYME) 42,000 gal- cents per gal							
102.00	52.60	Feb	71.00	72.50	69.30	70.50	+.31
96.50	50.70	Mar	63.25	64.65	62.90	63.05	+.62
92.00	49.30	Apr	58.75	59.60	58.00	58.10	+.34
88.50	48.40	May	55.45	56.30	55.25	55.50	+.84
85.75	48.00	Jun	53.65	54.20	53.50	54.00	+1.09
85.00	48.00	Jul	53.40	53.60	52.90	53.00	+.59
85.07	52.00	Aug	53.50	53.90	53.35	53.40	+.59
84.28	53.40	Sep	54.50	54.50	54.58	54.50	+.69
82.62	54.00	Dec	57.70	58.10	57.50	58.10	+1.29
Est. Sales Prev. Sales 29,216							
Prev. Day Open Int. 74,724 off 2,552							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
35.48	18.40	Mar	21.30	21.77	21.20	21.55	+.58
33.90	18.02	Apr	20.40	20.90	20.39	20.75	+.50
32.70	18.03	May	19.70	20.15	19.70	19.90	+.42
31.50	16.65	Jun	19.15	19.60	19.15	19.40	+.40
30.40	17.06	Jul	18.87	19.25	18.87	19.25	+.53
29.50	18.50	Aug	18.70	19.10	18.70	19.09	+.54
28.72	18.50	Sep	18.75	18.85	18.75	18.85	+.40
28.40	18.40	Oct	18.55	18.80	18.55	18.80	+.35
28.10	18.50	Nov	18.60	18.75	18.60	18.75	+.38
27.70	18.47	Dec	18.65	18.90	18.65	18.90	+.48
27.60	18.35	Jan	18.60	18.74	18.60	18.70	+.33
27.00	18.30	Feb	18.70	18.70	18.65	18.65	+.28
26.75	18.40	Mar	18.78	18.78	18.70	18.75	+.33
24.60	18.07	May	18.80	18.80	18.80	18.80	+.43
Est. Sales Prev. Sales 70,738							
Prev. Day Open Int. 56,914 off 04,167							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
95.00	49.85	Feb	65.80	70.00	64.60	68.00	+3.04
98.00	50.65	Mar	62.50	63.90	61.90	62.20	+.34
98.25	54.90	Apr	66.25	66.10	64.30	65.00	+.49
97.00	55.05	May	63.50	64.00	63.00	62.75	+.30
95.50	54.90	Jun	61.00	61.95	61.00	61.70	+1.15
82.70	58.50	Jul	60.00	61.00	59.25	61.00	+2.55
90.50	53.50	Aug	57.70	57.75	57.40	57.75	+1.40
87.00	55.10	Sep	56.00	56.25	56.25	56.25	+2.00
86.75	52.75	Oct	53.25	53.50	53.50	53.25	+1.80
75.25	51.10	Dec	51.25	51.25	51.25	51.25	+2.00
51.25	51.25	Jan	51.00	51.00	51.00	51.00	+2.25
Est. Sales Prev. Sales 17,532							
Prev. Day Open Int.							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
383.20	298.00	Mar	341.85	344.80	341.45	344.65	+2.40
383.35	300.90	Jun	344.85	347.70	344.75	347.60	+2.48
343.85	304.00	Sep	347.20	350.20	347.20	350.30	+2.50
337.25	321.75	Dec				352.80	+2.50
Est. Sales Prev. Sales 50,443							
Prev. Day Open Int.153,581 off 122							
NYSE COMP. INDEX (NYFE) points and cents							
207.80	163.85	Mar	186.60	188.20	186.30	188.05	+1.15
192.25	165.85	Jun	188.05	189.70	187.70	189.55	+1.25
187.15	173.10	Sep	189.30	189.30	189.30	190.90	+1.25
185.35	175.50	Dec				192.25	+1.25
Est. Sales Prev. Sales 6,445							
Prev. Day Open Int. 5,056 up 185							

Commodity Indexes

	Close	Previous
Moody's	1,023.30 f	1,028.00 f
Reuters	1,658.10	1,652.70
D.J. Futures	124.93	125.16
Com. Research	214.12	214.16

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

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Banesto Overhaul Is Set to Bear Fruit

Reuters

MADRID — Banco Español de Crédito SA's three-year old restructuring plan should begin to bear fruit in 1991, a year that will generally be a difficult one for Spanish banks, Chairman Mario Conde said Thursday.

"For the first time since 1975 we are increasing our market share, both on the asset and liabilities side, and our financial margins will grow this year," he said in an interview.

He said Banesto's 1990 results, due to be announced shortly, would show a 10 percent rise in pretax profit and he was optimistic of similar growth this year.

Banesto's prospects have been clouded in recent months by a forced delay in plans to sell 26 percent of its giant industrial subsidiary, La Corporacion Banesto SA, and speculation that it would have to provision heavily for share losses in the corporation.

But Mr. Conde pointed to a big increase in the bank's deposits since joining the "supercuenta war" last February by offering high-interest checking accounts. Banesto's sight deposits now stand at 1.4 trillion pesetas ($15.1 billion), the biggest of any Spanish bank, and more than triple their level of 434.2 billion pesetas at the end of 1989.

Mr. Conde said that net interest income had been expected to fall in 1990 due to the high cost of the supercuentas and not being able to use income expected from the La Corporacion share launch. But in fact there was a small increase.

He no longer expects to place any more Banesto holdings in La Corporacion before June, he said, having sold 4.9 percent to Dresdner Bank AG in December for 11.8 billion pesetas, the first success in a new strategy of private placements.

"There won't be another sale in the first quarter, with all this uncertainty over the Gulf war, but I believe that before the end of June we will have done something," Mr. Conde said.

Banesto's future involves capitalizing on its branch network — the widest among Spanish banks — by expanding its service range with, for instance, investment advice and travel services.

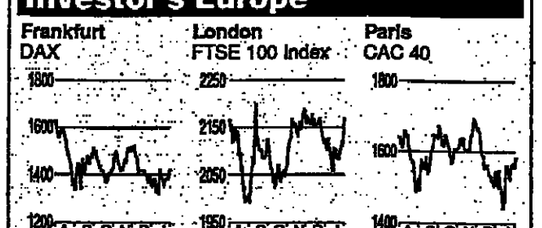
"What I proposed in 1988 was an authentic revolution in the bank, the challenge of converting the most backward bank in Spain into one of the most advanced," he said.

A decision then to invest 30 billion pesetas in computer technology has paid off, Mr. Conde said. Even the smallest of the bank's branches would be able to offer new services by plugging into a centralized system.

A cost-cutting program through staff redeployment has now been completed, with the emphasis on training administrative staff to strengthen the sales effort.

Internationally, Banesto aims to consolidate in southern Europe, particularly Portugal, Italy and southern France.

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	CBS Trend	80.60	80.10	+0.62
Brussels	Stock Index	4924.84	4850.22	+1.54
Frankfurt	DAX	1420.08	1400.73	+1.38
Frankfurt	FAZ	608.59	598.25	+1.73
Helsinki	UNITAS	362.40	356.80	+1.57
London	Financial Times 30	1697.90	1686.50	+0.68
London	FTSE 100	2170.30	2152.60	+0.82
Madrid	General Index	231.18	232.22	-0.45
Milan	MIB	965.00	954.00	+1.15
Paris	CAC 40	1580.67	1582.45	-0.11
Stockholm	Affarsvarlden	946.60	942.09	+0.48
Vienna	Stock Index	480.48	474.24	+1.32
Zurich	SBS	533.40	533.00	+0.08

Sources: Reuters, AFP International Herald Tribune

South Korea Prices Hit a 10-Year High Amid Fear of Crisis

Compiled by Our Staff From Dispatches

SEOUL — The monthly inflation rate soared to its highest level in 10 years in January, the government said Thursday, and economists expressed fears about South Korea's economic health.

The Economic Planning Board said in a report that consumer prices were estimated to have risen at a monthly rate of 2.1 percent in January, the highest monthly rise since June 1981, when prices rose 2.8 percent amid a world oil crisis.

Agriculture and fisheries products increased the most, an average of 3.2 percent. Increases in transportation fees and private service charges at the end of last year also contributed to the surge.

The index stood 10.6 percent higher than in January 1990.

Economic Planning Board officials linked the increases to seasonal factors, and said prices should stabilize later this year if the Gulf war does not drag on.

But Park U Kyu, an economist at the government-funded Korea Development Institute, said, "The high figure leads us to think that the national economy is plunging into serious trouble."

He added: "It doesn't seem that prices are going to ease in the near future. Signs are that the price index will increase another 2 percent in February."

Still, a planning board official said the average annual consumer price index is expected to meet the government's 1991 target of 8 percent to 9 percent.

Lee Yoon Sang, a professor at Hanyang University, said the government was underestimating the inflation problem. The high rate seen in January is likely to translate into hefty wage rises, sparking an inflation spiral, he said.

"Labor-management talks this spring will be very tough and are likely to result in double-digit wage increases in many firms," he said. "This heralds a self-destructive depression since the firms will shun investment activities."

Mr. Park said the government would find it difficult to hold the inflation rate below 10 percent this year even if international oil prices remain stable. South Korea imports all its oil.

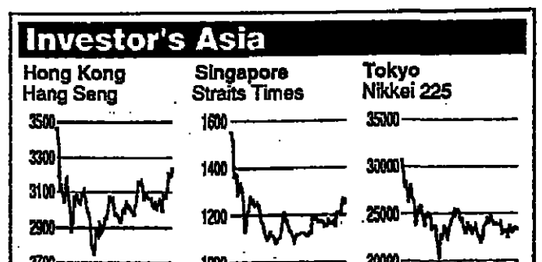
Inflation has been at single digits for the past nine years after it hit a high of 32.2 percent in 1980.

Mr. Park said: "There are many obstacles to price stability this year but the government seems to have few options to remove them. Particularly, the local assembly elections scheduled for this spring are sure to increase government spending drastically and cause high inflation."

He added: "The government is in a dilemma whether to adopt a tighter monetary policy or not. A tighter monetary policy to curb prices is likely to reduce corporate investments and slow down economic growth."

An Economic Planning Board spokesman said the government would soon unveil an anti-inflation package. *(Reuters, AFP)*

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3243.30	3200.89	+1.32
Singapore	Straits Times	1267.25	1248.44	+1.51
Sydney	All Ordinaries	1321.5	1314	+0.57
Tokyo	Nikkei 225	23293.14	23409.61	-0.50
Kuala Lumpur	Composite	497.26	490.6	+1.36
Bangkok	Book Club	582.12	563.84	+3.24
Seoul	Composite Stock	635.4	638.09	-0.42
Taipei	Weighted Price	4023.72	4058.82	-0.86
Manila	Composite	756.43	746.95	+1.27
Jakarta	Stock Index	383.02	384.40	-0.36
New Zealand	Barclays	1266.27	1236.87	+2.38
Bombay	National Index	499.87	491.77	+1.65

Sources: Reuters, AFP International Herald Tribune

Williams PLC Buying Yale & Valor

Reuters

LONDON — Yale & Valor PLC, the British-U.S. locks and appliances concern, announced Thursday that Williams Holdings PLC had made an agreed all-stock offer for it that values Yale at £318 million ($621.7 million).

Williams, an international holding company, has activities ranging from fire detection and suppression equipment through specialist military bridge supplies to decorative paints. It has about 11,000 employees in Europe and North America.

The chairman of Yale & Valor, Michael Montague, said, "We believe that the proposed combination of our trading, management and financial resources can only be of benefit to Yale & Valor's customers and employees."

Williams said in a statement that the enlarged group would have a wider product range and a better balanced spread of international sales, thereby reducing exposure in any single area of the international economy.

Yale said the offer represents 270 pence per share plus a 12.65 pence net dividend. Yale's shares were 20 pence higher, at 259, following the announcement, while Williams stock rose three pence to 219 pence.

Yale stock had been firm ahead of the announcement on speculation that Williams, a 6 percent shareholder, was set to make an offer.

Williams said it is offering five new Williams ordinary shares for every four Yale & Valor shares held.

The holding company estimated that its pretax profit for calendar 1990 will not have been less than £125 million, on sales of £832 million. Williams expects to recommend a final dividend of 7.25 pence, net, making a total of 12 pence, compared with 11.5 pence the year before.

In 1989, Williams made a £153.46 million pretax profit on revenue of £1.13 billion.

Yale & Valor, whose main activities are the design, manufacture and supply of locks and heating appliances, principally centered in Europe and North America, employs about 6,000 people.

In the year to March 31, 1990, Yale & Valor reported consolidated pretax profit of £56.6 million.

Yale & Valor was created in 1987 when Valor paid £263 million for the U.S. company and NuTone, a maker of built-in appliances, from First City Industries, which is owned by Canada's Belzberg family.

Taiwan Aims to Spend $300 Billion in 6 Years

Program to Focus on Infrastructure

Compiled by Our Staff From Dispatches

TAIPEI — Taiwan's cabinet approved on Thursday an ambitious six-year development plan that calls for spending more than $300 billion on infrastructure projects.

Taiwan's economic planners hope that the program, which will double government deficit spending in the fiscal year that begins on July 1, will jolt the island's sluggish economy off its current path toward recession.

"This is something our people can afford, and afford relatively easily," said Shirley Kuo, chairman of the government's Council for Economic Planning and Development, at a news conference.

But economists said that the plan for record expenditures, which would boost the budget deficit to over $11 billion, could prove to be only a temporary crutch that will fail if the worldwide economic slump continues.

"This is a one-year plan only," asserted Edmund Hsueh, chief economist at Core Pacific, a local financial group.

Under the plan, the deficit will jump 166 percent to 314 billion Taiwan dollars ($11.78 billion) from a revised 118.1 billion dollars in the current fiscal year, which ends June 30.

The proposed shortfall would be covered by surplus revenues held over from previous years and new government bond issues worth 250 billion Taiwan dollars.

The economic construction package is aiming to achieve a 7 percent annual economic growth rate over the six years. It seeks to increase personal income, upgrade the quality of life and accelerate and balance industrial development, cabinet officials said.

Key among the 779 projects planned are highway and subway systems, petrochemical plants, infrastructure for heavy industries, the country's fourth nuclear power plant and sophisticated pollution-control facilities.

The plan now goes to parliament, which usually passes the budget in May.

Private economists said the proposed deficit, the largest ever put forward by Taipei's fiscally conservative planners, reflected the recessionary fears that have gripped Taiwan since its economic boom sputtered last year.

Growth in gross national product in Taiwan slowed to 5.2 percent in 1990 from 7.3 percent in 1989.

"The government has learned that we are going into a recession and that they must do this to boost the economy," Mr. Hsueh said.

Wang Jung-chou, head of the Finance Ministry's treasury department, told reporters the deficit plan would pump money back into the economy, which has been hit by falling confidence among local private investors and weakening tax revenues.

"When popular willingness to invest is low, it is difficult to boost the entire economy," he said. "Broadening public investment will increase domestic demand, bringing with it economic prosperity." *(Reuters, AFP)*

Continental Is Confident It Can Repel Pirelli

Reuters

FRANKFURT — A number of Continental AG shareholders have said they will support the company in its bid to block a takeover by Pirelli SpA at a March 13 extraordinary shareholders meeting, the German tiremaker said Thursday.

Finance Chief Ingolf Knaup said that Continental's confidence level is high ahead of the meeting, which will give the Italian company a chance to overturn Continental's voting-rights restriction.

Mr. Knaup declined to identify shareholders who have pledged their support or how much capital they represent. Deutsche Bank AG and Allianz AG Holding, which each hold about 5 percent, have publicly said they will support Continental.

The finance executive also said Continental's group net profit would rise to around 100 million Deutsche marks ($67.2 million) in 1991, from around 92 million DM in 1990. He added that group sales would rise to 9.5 billion DM from around 8.6 billion DM.

Pirelli has said a majority of Continental shareholders support its bid to merge the two group's tire activities under its control. Continental rejected the proposal.

The meeting was called by a shareholder, Alberto Vicari, who holds 5 percent of Continental, so that shareholders could vote on two packages of proposals to decide whether the firm stayed independent or merged with Pirelli.

Mr. Knaup said Continental is confident that the fifth item on the agenda, which paves the way for a merger with Pirelli, would be rejected. A 75 percent majority would be needed for approval.

Mr. Knaup, speaking at a news conference, said he hopes the attendance will be high and the battle between the two firms would soon be over. He welcomed the apparent formation of a shareholder group backing Continental. "We don't know exactly who is backing Pirelli or who is backing us," he said. "Believe me, I wish I did." He thought that most German banks that administer shares for smaller shareholders would support the company.

He said Continental remained skeptical that Pirelli, which holds 5 percent, actually controlled a majority of shares.

Fiat SpA, which is reported to be supporting Pirelli's bid, last week confirmed it holds a small stake, of less than 4 percent. Other shareholders known to support Pirelli's bid include Mediobanca SpA and the financial firm Sopaf SpA, with 5 percent each, and Italmobiliare SpA, with 3 percent.

Thai Publisher Seeks Buyout of Ailing UPI

Agence France-Presse

BANGKOK — One of Thailand's leading publishing companies is holding talks with the troubled U.S.-based United Press International news agency on a possible buyout, the Thai company said Thursday.

The Manager Group's chief executive, Sonthi Limthongkul, said he is interested in buying the financially ailing agency and will be meeting UPI management in New York next week.

"If it looks good, I will take it," he said.

Mr. Sonthi, whose company has a reported $400 million in annual revenue, added that a final decision to bid would depend on the price being right and on there being no labor problems. "We have the financing, but if there is a likelihood of any union problems in the States, we will not take it," he said.

He added that he sees great potential for UPI, but said that for the past four or five years the company had not been well managed.

Mr. Sonthi said that if the deal went ahead, he would consider linking UPI with regional news agencies throughout the world.

In mid-January it was reported that Yomiuri Shimbun, Japan's biggest newspaper, was talking with UPI about taking a stake, but the newspaper's publisher denied the report.

Late last year, unionized UPI employees agreed to accept a 35 percent pay cut to help the agency stay in business while it sought a buyer.

The company earlier said it had been approached by six potential investors, without identifying them.

RATES: *Bundesbank Tightens*

(Continued from page 1)

ly what it must in order to maintain German stability," Mr. King said. "But the trouble is that the EMS works in such a way that the Bundesbank is already acting as a European central bank and Europe as a whole is slowing down."

Mr. Pöhl, explaining the decision, said that the Bundesbank had become concerned about a series of destabilizing factors including a money supply growing above target, heavy government borrowing to pay for reunification and high wage demands by unions.

The Bundesbank has become especially worried about rapid growth in the money supply, the basis for its monetary policy. The central bank's vice president, Helmut Schlesinger, said that the chief barometer of money supply had grown at an annual rate of 7 percent from July to December and it had shown no signs of slowing in January.

The bank has set a target range of annual growth of 4 to 6 percent.

In spite of all of these factors, however, analysts have speculated that Mr. Pöhl himself may have been reluctant to raise rates.

He is one of the world's most experienced veterans of international monetary coordination, and only this month he heard the reservations about higher interest rates from his counterparts from the other members of the Group of Seven most industrialized states.

But he has only one vote in the 18-member central bank council that decides rate changes, and many other members, notably those representing regional central banks that are sensitive to local pressures, have appeared to be lobbying for rate increases for some time.

RISK: *Greenspan Warns of Deep Recession If War Lasts Past April*

(Continued from page 1)

blast at Fed policy on interest rates. Mr. Bush said in his address, "Interest rates should be lower — now."

Answering questions a few hours before the president's speech, Mr. Greenspan refused to discuss what steps the Fed would take to deal with the recession and strengthen the banks, and he declined to say whether he wanted to be reappointed to another term. But he made these points:

- Even in hindsight, he sees no policies the Fed could have followed that would have averted recession.
- He is paying close attention to the money supply, not so much as a gauge of the overall economy but because it is the best measure of the severity of what he repeatedly called the "credit crunch."
- The law should be changed to allow banks to collect interest on the money they must hold as reserves.
- U.S. exports are much more sensitive to economic conditions in the countries with which the United States trades than they are to the value of the dollar.

The length and severity of the recession, Mr. Greenspan said, depends almost entirely on what happens in the Gulf and whether banks can be induced to lend money more freely.

Mr. Greenspan seemed to be saying that Mr. Bush did not threaten the economy by going to war in the first place but that the economy might be damaged if the war lasted so long that people became uneasy about the prospects.

He said the optimistic assessment he gave Congress last week, when he said that the worst might be over and that he expected the recovery to begin no later than summer, was based in large part on the assumption that the war would be short.

"Unless new forces of weakness re-emerge," Mr. Greenspan said, "then the initial negative force — the sharp drop in consumer confidence that followed Iraq's invasion of Kuwait — may be beginning to wane."

But he said he was "listening with one ear" to Defense Secretary Dick Cheney's repeated warnings against overconfidence and was concerned that the economy could suffer from a longer war.

Mr. Greenspan took issue with economists who say the Fed made a mistake by not lowering interest rates in the first half of last year when the economy was quite weak.

The economic data for last year, he said, indicate that the odds are better than even that the country would not have tipped into a recession had it not been for the Iraqi invasion, an event he could not have anticipated.

"Looking back now," he said, "it's not clear to me that there was a monetary policy that would have significantly altered the sharp change in consumer psychology and the effects of the steep rise in oil prices, the forces he says are most responsible for the recession.

The one misjudgment he might have made, he indicated, was that he did not recognize how long banks would maintain tight lending policies. Bank lending gives consumers and businesses more money to spend.

He repeated his statement to the House Budget Committee last week that if the credit situation did not improve, the Fed would take new policy actions to encourage banks to lend more freely.

Japan Unveils Plan to Fund $9 Billion Pledge for Gulf

Compiled by Our Staff From Dispatches

TOKYO — The government said Thursday it plans to fund its new pledge of $9 billion for multinational forces in the Gulf with temporary increases in petroleum, cigarette and corporate taxes.

Under the plan, short-term government bonds would be issued to collect the money quickly. These would be repaid in turn with the higher taxes, to be levied in the fiscal year beginning April 1, according to a government spokesman, Misoji Sakamoto.

A fiscal 1990 supplementary budget bill, including the temporary tax increases that will be applicable for one year, is to be submitted to parliament in late February, officials said.

The $9 billion pledge, which follows a separate $4 billion in September, averages out to about 10,000 yen ($76) for each Japanese citizen.

"We have decided to ask the people to shoulder this burden in order for Japan to be able to share its appropriate burden," Mr. Sakamoto said. "It will bring pain, but it is a necessary cost that Japan, which enjoys peace the most in the world, must bear."

Under the plan, taxes on various petroleum products would be doubled, generating an expected 460 billion yen. A corporate tax surcharge would yield 590 billion yen. Taxes on cigarettes would rise 10 yen a package, adding an expected 140 billion yen.

The corporate levy would amount to 3.2 percent of the amount of taxes a corporation pays in excess of 2 million yen.

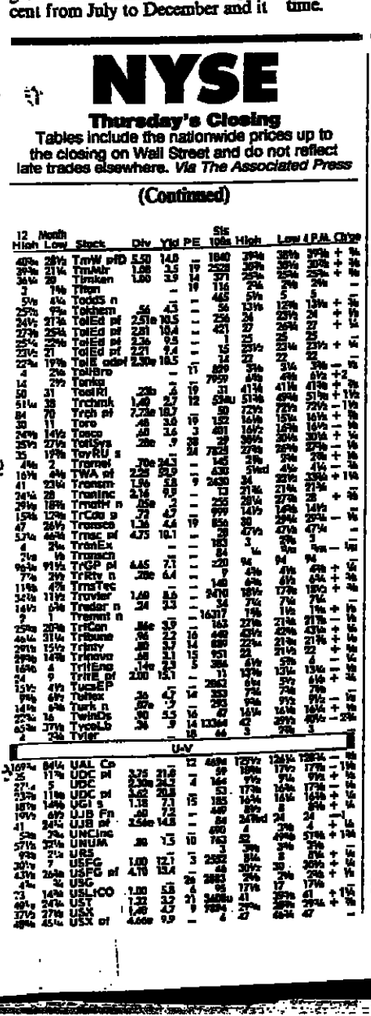
The governing Liberal Democrats hope to gather support for the legislation from Komeito, a moderate opposition party. Komeito has expressed support for the contribution, but says it must not be funded entirely by new taxes. *(AP, AFP)*

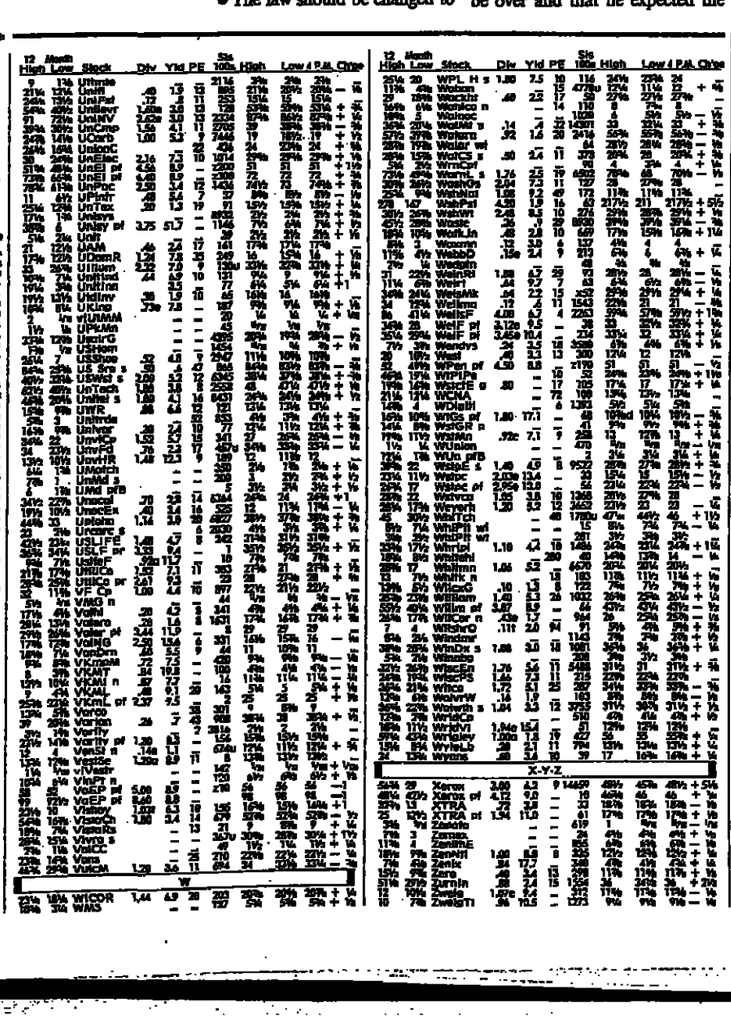
NYSE

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)





COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Canada

Inco

4th Quar.	1990	1989
Revenue	870.30	799.40
Profit	72.60	152.10
Per Share	0.68	1.44
Year	1990	1989
Revenue	3,246	4,040
Profit	441.20	753.40
Per Share	4.18	7.11

Results in U.S. dollars.

United States

Alco Standard

1st Quar.	1991	1990
Revenue	1,100	997.20
Oper. Net	16.00	17.00
Oper. Share	0.39	0.42

Allied-Signal

4th Quar.	1990	1989
Revenue	3,140	3,660
Net Inc.	107.00	115.00
Per Share	0.80	0.78
Year	1990	1989
Revenue	12,340	11,940
Net Inc.	462.00	528.00
Per Share	3.35	3.55

Asarco

4th Quar.	1990	1989
Revenue	549.50	521.00
Net Inc.	3.70	59.10
Per Share	0.10	1.42
Year	1990	1989
Revenue	2,270.	2,210.
Net Inc.	149.10	231.20
Per Share	3.60	5.50

1990 nets include charge of $51.5 million.

Bethlehem Steel

4th Quar.	1990	1989
Revenue	1,200.	1,150.
Net Inc.	(a)522.7	43.60
Per Share	—	0.58
Year	1990	1989
Revenue	4,900.	5,250.
Net Inc.	(a)487.7	219.70
Per Share	—	2.93

a: loss. 1990 results include charge of $559 million.

Compaq Computer

4th Quar.	1990	1989
Revenue	1,000.	788.10
Net Inc.	134.80	79.10
Per Share	—	—
Year	1990	1989
Revenue	3,400.	2,880.
Net Inc.	454.90	332.30

Per share results adjusted for 2-for-1 split in May.

Du Pont (E.I.)

4th Quar.	1990	1989
Revenue	11,100.	9,000.
Net Inc.	468.00	482.00
Per Share	0.69	0.71
Year	1990	1989
Revenue	40,000.	35,500.
Net Inc.	2,310.	2,480.
Per Share	3.40	3.53

Nets include gains of 7 cents per share vs 5 cents in quarters and of 16 cents vs 4 cents in years.

Hercules

4th Quar.	1990	1989
Revenue	880.70	772.40
Net Inc.	2.60	(a)226.9
Per Share	0.06	—
Year	1990	1989
Revenue	3,200.	3,100.
Net Inc.	94.00	(a)81.30
Per Share	2.24	—

a: loss. 1990 nets include charges of $21.9 million in quarter and of $32.1 million in year.

Kerr McGee

4th Quar.	1990	1989
Revenue	1,170.	776.40
Net Inc.	49.90	37.50
Per Share	1.81	0.75
Year	1990	1989
Revenue	3,400.	3,000.
Net Inc.	150.20	156.00
Per Share	3.81	3.20

Knight-Ridder

4th Quar.	1990	1989
Revenue	588.00	467.80
Oper. Net	42.00	55.10
Oper. Share	0.85	1.05
Year	1990	1989
Revenue	2,310.	2,270.
Oper. Net	149.00	179.00
Oper. Share	2.94	3.43

1989 nets include losses of $744,000 in quarter and gains of $49 million in year.

Mapco

4th Quar.	1990	1989
Revenue	577.30	579.50
Net Inc.	27.10	20.00
Per Share	0.89	0.64
Year	1990	1989
Revenue	2,820.	2,110.
Net Inc.	138.00	116.20
Per Share	4.13	3.64

MCI Communications

4th Quar.	1990	1989
Revenue	2,000.	1,710.
Oper Net	157.80	143.00
Oper Share	0.47	0.53
Year	1990	1989
Revenue	7,480.	6,470.
Oper Net	599.00	660.00
Oper Share	1.86	2.26

Occidental Petroleum

4th Quar.	1990	1989
Revenue	6,860.	5,050.
Net Inc.	(a)12,000	20.00
Per Share	—	0.10
Year	1990	1989
Revenue	21,690.	20,070.
Net Inc.	(a)1,700	285.00
Per Share	—	1.42

a: loss. 1990 quarter net includes charge of $2.05 billion and loss of $23 million.

PACCAR

4th Quar.	1990	1989
Revenue	679.20	812.40
Net Inc.	5.70	98.90
Per Share	0.17	2.83
Year	1990	1989
Revenue	2,590.	3,230.
Net Inc.	63.90	241.90
Per Share	1.83	6.90

1989 nets include gain of $52.4 million.

Philip Morris

4th Quar.	1990	1989
Revenue	14,220.	10,940.
Net Inc.	880.00	862.00
Per Share	0.95	0.93
Year	1990	1989
Revenue	51,170.	44,080.
Net Inc.	3,640.	3,450.
Per Share	3.83	3.78

1989 quarter net inludes gain of $152 million.

Roadway Services

4th Quar.	1990	1989
Revenue	958.20	858.20
Net Inc.	45.20	29.90
Per Share	1.17	0.77
Year	1990	1989
Revenue	2,970.	2,660.
Net Inc.	119.10	93.50
Per Share	3.05	2.44

Sun Company

4th Quar.	1990	1989
Revenue	4,530.	3,980.
Net Inc.	18.00	(a)173.0
Per Share	0.17	—
Year	1990	1989
Revenue	13,360.	11,380.
Net Inc.	220.00	98.00
Per Share	2.14	0.92

a: loss. 1989 nets include charge of $177 million.

Teaneco

4th Quar.	1990	1989
Revenue	3,380.	3,900.
Net Inc.	138.00	205.00
Per Share	1.03	1.58
Year	1990	1989
Revenue	14,510.	14,980.
Net Inc.	561.00	584.00
Per Share	4.37	4.46

REPUBLIQUE DU NIGER
MINISTERE DES MINES ET DE L'ENERGIE
DIRECTION DE L'ENERGIE
MAITRE D'OEUVRE SOCIETE NATIONALE D'ELECTRICITE (NIGELEC), NIAMEY, B.P. 11202

AVIS DE PRE-QUALIFICATION
PROJET D'EXTENSION ET DE REHABILITATION DES RESEAUX MT ET BT DE LA ZONE DE MARADI - TESSAOUA - ZINDER

L'étendue de ce projet comprendra notamment, la fourniture et l'exécution des travaux pour:

- 14,30 km de câble 12/20 kV souterrain - 98,20 km de lignes aériennes 20kV
- 18,75 km de lignes mixtes MT/BT - 118,25 km de lignes BT
- 24 postes de transformation MT/BT - 6'500 branchements BT

Cet inventaire est préliminaire et sujet à la révision.

A cet effet, il est demandé à toutes les firmes ou sociétés spécialisées et suffisamment expérimentées dans le domaine des réseaux électriques et postes de transformation MT/BT, de présenter des offres de pré-qualification.

Les Entreprises intéressées par ce concours devront retirer le document de base de la préqualification au siège de la SGI (SOCIETE GENERALE POUR L'INDUSTRIE), Chemin des Délices 9, B.P. 133, 1000 Lausanne 13/SUISSE, contre paiement d'un montant de US$ 1000.— payable sous forme de chèque certifié ou en numéraire.

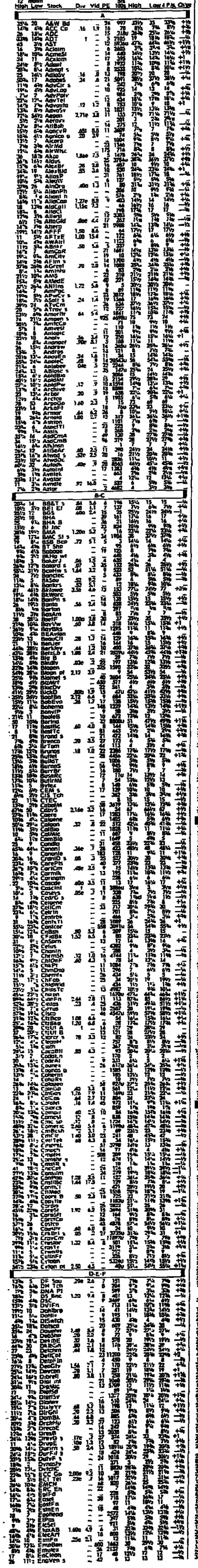
Les offres (un original et une copie) devront parvenir à SGI Lausanne à l'adresse susmentionnée au plus tard le 15 mars 1991 à 12h00 GMT.

Le financement sera assuré au moyen d'un emprunt BIRD et de l'IDA.

NASDAQ

Thursday's Prices

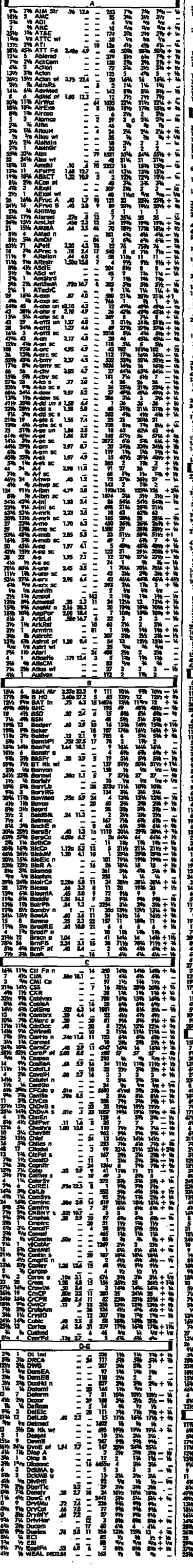
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

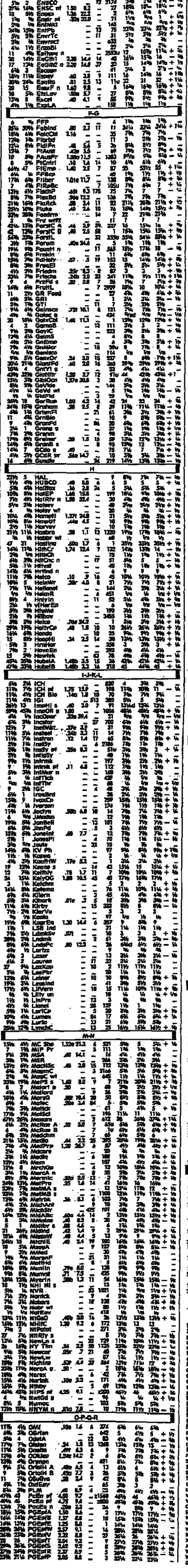


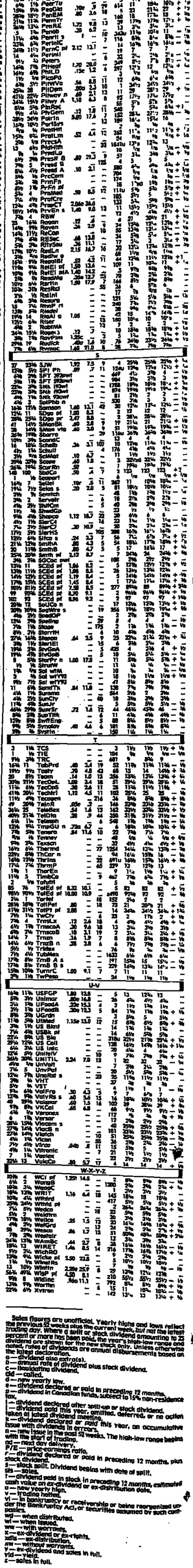
AMEX

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*







Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, *but not the latest trading day.* Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s).
b—annual rate of dividend plus stock dividend.
c—liquidating dividend.
cld—called.
d—new yearly low.
e—dividend declared or paid in preceding 12 months.
e—dividend in Canadian funds, subject to 15% non-residence tax.
i—dividend declared after split-up or stock dividend.
j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k—dividend declared or paid this year, an accumulative issue with dividends in arrears.
n—new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd—next day delivery.
P/E—price-earnings ratio.
r—dividend declared or paid in preceding 12 months, plus stock dividend.
s—stock split. Dividend begins with date of split.
sls—sales.
t—dividend paid in stock in preceding 12 *months, estimated* cash value on ex-dividend or ex-distribution date.
u—new yearly high.
v—trading halted.
vi—in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd—when distributed.
wi—when issued.
ww—with warrants.
x—ex-dividend or ex-rights.
xds—ex-distribution.
xw—without warrants.
y—ex-dividend and sales in full.
yld—yield.
z—sales in full.

هكذا من الاصل

International Herald Tribune

WEEKEND

☐ Chinese Film
☐ Arts Agenda

MIDEM: The Artistry Of Music Ownership

Cutting the Cake With Twin Carriers And Backward Analog Compatability

by Mike Zwerin

CANNES — If MIDEM is the product of the intelligence of musicians, then their intelligence is a product. Nothing new, just a necessary reminder.

Like a fashionable cabaret lit by bright bare cleaning bulbs after closing time, the reality is not agreeable. It's only a place of business, a tacky one at that. The manager likes musicians well enough, but they tend to spread anarchy and he's glad they're gone. Counting the night's take, he sings "Money for Nothing."

The 25th annual MIDEM, the international music industry meeting, was not the birthday party that had been touted. Celebrations with celebrities like Ray Charles and Elton John had to be canceled because of the Gulf War. American participation was down 60 percent. One inventive U. S. executive flew Swissair via Geneva. "The only safer carrier," he laughed, nervously, "is Iraqi Air."

Though security was beefed up, the atmosphere was business as usual — evidence that after Sony buying CBS, Matsushita buying MCA, PolyGram buying Island, etcetera, the music business can now do without the Americans. While 10 years ago the entire affair would have collapsed, only 30 of the 406 reserved stands were left unoccupied. And a fall in total registration from 8,200 in 1990 to 6,500 (the Japanese were also absent) merely reduced excess freneticism and, if anything, a *more* businesslike atmosphere resulted.

The French company Vogue announced joint ventures with the Soviet record company Melodiya, Hungary's Hungaroton and Czechoslovakia's Supraphon for Western European distribution. Thirty Australian music companies were represented, a record. The *British International* Jazz Awards found a home at MIDEM, the first time outside Britain. Three hundred fifty artists performed 35 concerts, including a tribute to the late South African bandleader Chris McGregor and a lively performance by rock star Willy De Ville. Violinists Sir Yehudi Menuhin and Stéphane Grappelli played a gala guests-of-honor duet.

"I used to love music," a retired hipster said, signing the check for an expensive dinner. "Then I promoted the music I loved. Now I own it."

Somebody has to own the music. It could be worse, at least he loved it once. We spent a pleasant evening remembering Lester Young and Earl Hines. For him, owning music is the next best thing to playing it. "My advice to young musicians," he said. "is own your own *music*."

MTV Europe reaches more than 20 million subscribers in 26 countries 24 hours a day in stereo. It features what CEO William Roedy describes as "an international sound. MTV's mainly 16-34 audience has more in common with each other than with their own parents. They buy the same jeans, the same colas, the same high-tops, they listen to the same music."

MTV Europe is growing at the rate of one million households a month and may reach profitability in year four of a five-year plan. The record companies provide clips for nothing, a good deal, and MTV stocks what they don't use. "We're on a real roll," Roedy said. After graduating from West Point, Roedy spent seven years in the service and then went to Harvard Business School. He found "the transition from military to business very easy."

WATCHING MTV, you get the impression that music is even less than a product; a necessary evil. It exists for only one purpose — to be owned.

Daily panel discussions were conducted by serious men with format eyes. There is always a perfunctory bow to creativity, name-dropping at least. Reinhold Kreile, an expert in international copyright legislation, illustrated the fact that the problem of copyright protection for music that is "attractive to a fickle public craving for novelty is nothing new" by citing a letter written by Mozart to his father:

"I beseech you to have the four concertos copied at home, for in the copyists in Salzburg there is no more trust than in those in Vienna. I have it on good account that Hofstetter copies Haydn's music twofold."

"What was for Mozart the manuscript copyist who copies everything twice," Kreile continued, "is for today's Mozarts the electronic copyist who copies his work a thousand-fold." The experts seemed to agree that a royalty should be paid for private copying, but the old question is never addressed. With this industry's creative accounting, how much of it will reach the creator?

An hour later, I wandered into a small hall and listened to the Quatuor Mosaiques playing

Continued on page 14

Nicolas Asch/IHT

Will This Soap Find Happiness in Europe?

by David Appell

BRY-SUR-MARNE, France — Television history of a sort is being made at a studio complex in this eastern suburb of Paris. This is the home of a new soap opera that is billed as the first of its kind: an American-style daily serial set in and produced in Europe by Europeans for Europeans.

"Riviera," a half-hour soap, is to be transmitted by France's TF1 five days a week beginning in March, and later in at least seven other European countries. It naturally takes its name from its glamorous locale, where the lives, loves and intrigues of characters both powerful and humble are played out in time-tested soapy fashion, but against the backdrop of an idealized Mediterranean playground. Most of the shooting is done in the studios here, with a little on Côte d'Azur locations.

The story revolves around the wealthy, aristocratic de Courcey clan, whose century-old perfume business in Cap Riviera, a fictitious promontory between Monte Carlo and Nice, is famous the world over. Henri Serre plays the role of the autocratic patriarch Laurent de Courcey, at loggerheads with his headstrong son (played by Xavier Deluc) who longs to wrench the tradition-bound family company into the 1990s.

Other notable characters include Laurent's estranged wife with a guilty secret, their reckless teen-age niece, an ambitious young American entrepreneur, a lovelorn Italian bar owner, and a ruthless Spanish land developer and his ditsy, conniving, arriviste wife. The producers hope their machinations will capture the imaginations of European viewers who have made hits of soaps from the United States like "The Bold and the Beautiful," "Santa Barbara" and "All My Children."

"What we thought would be even more successful is the same kind of show but with a European story and cast, shot in Europe," says Larry Lamattina, head of "Riviera's" production company, EC Television. The idea was a marriage of American technique and pacing with what the "Riviera" people like to call "the European touch." That touch comes not only from the actors, but also from French directors, technicians and some producers, working under the guidance of a handful of Americans such as Beth Trachtenberg, the executive producer.

A subsidiary of the New York-based advertising conglomerate Interpublic, EC offered 260 episodes of "Riviera" to networks in exchange for ad time to be devoted to Unilever (naturally, a soap and household products maker) and other clients of another Interpublic subsidiary, Lintas Worldwide (whose Paris office admen came up with the original idea for the program).

Though "Riviera" is EC Television's first original drama, the company is no novice on Europe's airwaves, having made its mark with numerous knockoffs of American game shows in a dozen European countries — 68 programs and more than 4,000 hours of programming last year.

So in the spring of 1988, the development of "Riviera" was launched, and Leona Blair, a romance novelist who lived for 18 years on the Côte d'Azur, was tapped to write the show's bible (so called because it is the genesis of the story lines). A team of New York-based writers came aboard to produce the scripts, and a deal was struck with the Société Française de Production to build a television studio in Bry-sur-Marne.

But when *it came time for EC, armed* with a $40 million budget, to go hunting for cast, production crews and other staff in France, where film has always reigned supreme and homegrown soap operas are largely unknown, there was skepticism all around. "I couldn't count how many Europeans said to me, 'You'll never find the people to do it, you'll never find this, you'll never find that,'" says Trachtenberg. Many people whom she and supervising producer John

Continued on page 14

Field and Molina in "Not Without My Daughter"; Pfeiffer, Connery in "Russia House."

When a Stereotype Kills the Film

by Caryn James

NEW YORK — Who is the most *ludicrous ethnic creation on screen* right now? Is it the fanatical, small-minded Iranian or the foul-mouthed, money-obsessed American or the warmhearted Italian who has to be blasted out of the family house in middle age?

The choice is tough and the possibilities more plentiful than you might think. For while some splashy current *films seem teeming with* cultures that range from Tehran to Boston, there is very little character lurking beneath their lazy cultural clichés.

Whether the stereotypes are as innocuous as the cartoon Italians in "Once Around," as insulting as the ugly Americans in "The Russia House" or as inflammatory as the evil Iranians in "Not Without My Daughter," they are shortcuts to character that go to the heart of the films' failures.

Though "Not Without My Daughter" exploits the stereotype of the demonic Iranian, an idea with some political currency right now, it is not an exploitation film. It is, however, an utter artistic failure, and its reliance on cultural stereotypes is a major cause.

The film makes lurid use of its fact-based story: An American *named Betty Mahmoody* (Sally Field) travels with her Iranian-born husband, Moody (Alfred Molina), and their daughter to visit his family in Tehran.

Rabid religious fundamentalism and social conservatism swirl through the air, and Moody catches its symptoms as easily as if he were picking up a flu germ. His promise that the family would return to Michigan in two weeks turns out to be a sham, and Betty is virtually held hostage in her in-laws' home. She and her daughter must escape illegally from what she calls "this backward, primitive country," an assessment the film supports.

She shouldn't have been surprised at her husband's deception, for on screen the portents were there all along. At first he is viewed as a sympathetic sort, telling his small daughter that after 20 years in this country, "I'm as American as apple pie." But soon he makes a gesture that seems an evil omen in the context of this simple-minded film: He takes a sacred oath on the Koran. When a foreign religion intrudes on apple-pie America, it is a clear sign of trouble in a film that clumsily uses ethnicity to outline its heroes and villains.

The larger issue has to do with Moody's abrupt transformation and his secret decision, made before leaving Michigan, that he would keep his family in Iran. Whatever psychological reasons might have been behind such a move, they are not readily apparent in the film. Here, he seems a pure product of his culture, a mysterious, misogynistic Easterner.

When one *exceptional Iranian says of* Moody's family, "They're from the provinces; they're more fanatical than most," it is a meaningless disclaimer, for the film views fanaticism as the Iranian national character. And because the people are portrayed so unrealistically, the story's valid and important social criticism — under Iranian law, Betty had no legal rights to her daughter — is reduced to melodrama and undermined as well.

Familiar types also fill "The Russia House." Though it is meant to be an up-to-the-minute glasnost-era thriller, it is filled with beleaguered Soviets and crafty Englishmen.

Klaus Maria Brandauer is the dissident Soviet scientist who wants to smuggle a book manuscript out of his country and who, like Moody in "Not Without My Daughter," delivers a line that seems overtaken by world events. "Our new people talk about openness, disarmament, peace," he says skeptically; "words."

Michelle Pfeiffer, as the courageous Soviet woman who helps him, falls in love with Sean Connery, as the British publisher to whom she delivers the manuscript. "My life now only has room for truth," she tells him in movie-accented broken English. He replies, "You are my only country now."

You'd think the film would not have room for one more cliché, but here come the Americans. They are all CIA agents who speak in schoolboy gutter language and worry that if the arms race falters, lobbyists and industrialists will take a commercial loss.

The ethnic clichés in the new film "Once Around" are more concentrated but just as damaging to this misconceived film. Somewhere in that twilight zone where movie deals

Continued on page 15

Valentino Closes Shows With a 'Peace' Dress

by Suzy Menkes

PARIS — A simple column of white crepe embroidered "Peace" in 14 languages closed the haute couture season.

Valentino's dress expressed the spirit of these spring shows, which have been dominated by the Gulf war. Other designers have also given peace messages: Jean-Louis Scherrer sent out a bride carrying a white dove; Yves Saint Laurent's bride symbolically carried a rosary rather than a bouquet; and from the stage of his show, Pierre Cardin spoke for the entire industry.

"This is a difficult time, but I have to think of my profession and all the people who

PARIS FASHION

work in it," he said. "People must see that Paris is still creating and working and that we can keep our fantasy and dreams — otherwise an economic conflict will follow the political one."

Valentino is celebrating 30 years in fashion, but given the conjunction of circumstances — the downturn in the luxury market and the war — he might have been expected to tone down his ebullient ornamentation and perky glamour.

Instead his show took to its outer limits the Pretty Woman theme that has been the fashion story in couture, where fabrics have been thistledown-light, skirts full or flared, and prints have recreated herbaceous borders of flowers.

For Valentino, a "simple" coat is short and cute in sugar pink edged with white scallops. A skimpy day dress has a mosaic of leather appliqués on its bodice. At night the flaunt-it decoration ran riot and gave the impression that Valentino has not noticed how the world is turning.

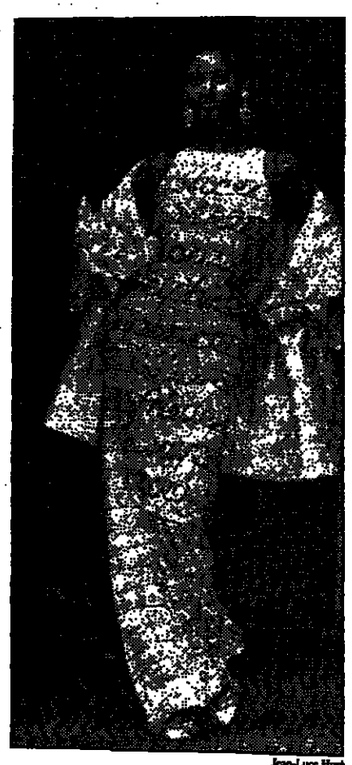
"Luxury? You thought it was luxurious — I thought it was very simple and light," said Valentino after the show. Cut-out lacy embroideries did give a summery feel and there was a light touch to the overlapping petals unfolding vertically or horizontally on the short skirts.

But even the silhouette seemed jaunty and festive. Tulip- and bell-shaped skirts, girlish raised waists and scalloping may have hinted *at the 1960s, but they did not have the same* clean, linear feel. This tailoring, inspired by studying archives of the early years, produced the best of the show, especially the graphic coats in orange sherbet or ice cream pink, which recalled the fashion glory years of Jackie Kennedy when Valentino dressed her.

As evening came on, the effects multiplied — pockets appliquéd on the sticking-out skirts, harlequin patchworks in ice cream colors and waves of lace trimming cascading over a long frilled skirt. When dresses were slim and simple in shape, there were still spirals of stitching or overlays of cut-out lace, which looked most effective when laid *against a* bared back that dipped into a low cowl.

Valentino has learned all the couture tricks in 30 years, and the cut, details and workmanship were very fine.

"I am so proud of my atelier," he said. "Everything they have done is really quite extraordinary."



Jean-Luce Huet

Valentino's white crepe "Peace" dress, embroidered in silver.

Valentino might be forgiven for being in a party mood, even though he has postponed until a more appropriate time the two-day festival in Rome where he planned to launch a retrospective exhibition, a mighty fashion book and a film by Frédéric Mitterrand.

Although all parties are supposed to be off in Paris too, a small dinner was hosted in honor of Valentino at the home of Count and Countess Ruy Brandolini; and, exceptionally, Yves Saint Laurent gathered good friends, including Françoise Sagan, Catherine Deneuve and Paloma Picasso, round him at his Rue Babylone home, to celebrate his show.

For the second year in a row, Claude Montana was awarded the Golden Thimble Award Thursday for his couture collection for Lanvin. At the awards ceremony, Bernadette Chirac, the wife of the mayor of Paris, reiterated the need to hold fashion shows as part of the French heritage.

Those shows continue through the weekend with menswear, in the form of the SEHM exhibition (*Salon International de* l'Habillement Masculin).

Claude Misérey, the SEHM's president, says that the menswear salon is opening on a positive note, and that none of the 1,260 exhibitors have pulled out, including the 36 Americans. The men's shows were opened by Kenzo, whose models gave the peace sign.

CRITICS' CHOICE

From Schoenberg to Boulez

■ Under the title "Pensée Musicale et Transmission," the Ensemble InterContemporain is presenting a series of concerts at the Théâtre du Châtelet and the Centre Georges Pompidou that surveys the 20th century from Schoenberg to the present. The first two concerts at the Châtelet, Feb. 3 and 10, put Arnold Schoenberg in his Vienna and Berlin contexts, and others look at the influences of Darmstadt, Paris and Messiaen, and the Italians from Petrassi to Donatoni. March 16 at the Châtelet, Pierre Boulez conducts works by himself, Luigi Nono and Schoenberg.

Bührle Collection in London

■ A total of 85 works — mostly Old Master, Impressionist, Post-Impressionist, and early modern paintings — from the Emil G. Bührle Collection of Zurich, will be on view at the Royal Academy of Arts in London through April 14. The core *of the collection is a group of late 19th and early 20th* century works, including eight by Manet, seven by Cézanne, six by van Gogh, five Gauguins and four each by Monet and Renoir. Others represented range from Hals and Canaletto, Ingres and Delacroix to Braque and Picasso. The collector acquired most of the works in the collection between 1946 and his death 10 years later.

Berlioz's 'Cellini' in Amsterdam

■ The Netherlands Opera is presenting a new production of Berlioz's "Benvenuto Cellini" in a staging by Tim Albery and with sets and costumes by Tom Cairns and Anthony McDonald. Peter Hirsch conducts a cast headed by David Kuebler in the title part and with Lynne Dawson, Eirian James, Barry Mora and Jean-Philippe Courtis in other parts. *Performances are Feb. 4, 7, 10, 13, 16, 19 and 22.*

Paris to See Béjart's Latest

■ Maurice Béjart's Ballet Lausanne moves into the Palais des Congrès in Paris from Feb. 6 through March 9 with three programs. "La Mort Subite" (Feb. 6-17 and March 5-9) is a new Béjartian extravaganza on themes from German Romanticism and its music from the same source, from Gluck to Weill. It stars the singer Ute Lemper and the former Bolshoi dancer Andris Liepa, and has sets by Thierry Bosquet and costumes by Gianni Versace. A double-bill of "Dibouk" and "Mozart-Tango" will be seen in Paris for the first time (Feb. 19-24), as will "Pyramide" (Feb. 26-March 3), which was originally done in Cairo last June.

WEEKEND

Soap Opera *Continued from page 13*

Valente interviewed "clearly found what we were doing insanity."

Some observers familiar with the French film and television industry predicted it would be a disaster to attempt to make French crews work *à l'américaine*, that slowdowns and walk-outs would become common. But Trachtenberg contends this didn't happen because everyone understood very well what he or she was getting into. "We didn't paint a picture that was anything but reality about the challenges" of putting together a 26-minute show every day, six days a week.

Convincing suitable actors to commit to "Riviera" exclusively for a year was a long, sometimes arduous process. The casting director, Françoise Combadière, who has cast numerous French films, found that French actors "didn't know what to make of" this venture. For one thing, "We had no scripts, just the main story line. And the image of the soap is not so good in France. I'm surprised that some of the actors accepted — like Xavier Deluc, who is quite well known in France."

But although only two or three of the 150 people working on the show had any experience with the relentless factory-like pace of daily soap opera production, by all indications most of the fears proved exaggerated once actual taping began last Dec. 3. Naturally, says Christophe Salachas, one of the five French directors on the show, "when you are changing culturally ingrained habits there's an adaptation period." That has included encouraging cameramen, for example, to use creative judgment with their camerawork — a previously unthinkable notion in a country where practically nothing gets done without explicit instructions from the director.

These adjustments have meant a "baptism of fire," as John Valente puts it, of 14-to-16-hour days that are just now becoming shorter, and a general lack of social life for many of the actors and producers, who often spend their single day off each week reading scripts.

Henri Serre, best known for the 1962 film "Jules et Jim" and the 1990 French television miniseries, "I, Charles De Gaulle," admits, "I find 26 minutes a day really difficult; we just barely have time to do a good job. And we don't have time to think of anything but taping. But one adapts to everything."

Many of the actors have had an even more formidable hurdle. Two-thirds of the cast is French, and the rest Italians, Spaniards, Britons, Americans, a German and a Greek. But they all perform in English, because as Trachtenberg — who herself speaks minimal French — puts it, "that was the only language common to everybody." Not to mention that, as Larry Lamattina explains, "two very important markets, the U. K. and eventually the U. S., do not accept dubbed products." Thus the show will be dubbed from English into the various languages in France, Spain (where it will also be in Catalan and Basque), Germany and Italy, and subtitled elsewhere. And EC Television hopes this will eventually mean markets in North America, Asia and elsewhere.

"I HAVE discovered that to play in a language that is not your own is really complicated," says Belgian-born Sara de Saint-Hubert, who portrays Laurent de Courcey's Italian-born wife, Beatrice (and doubles as one of the show's producers). "But in some kind of way you get used to it."

There are some in the French television industry, however, who have no desire to get used to it. "Riviera" has been attacked by a number of actors' and directors' unions as an "American by-product" that not only ultimately threatens "destruction of the French cultural identity" but also endangers the livelihoods of their members who do not speak English well enough to work in the language. They are outraged that the French government has certified the program as an "original French creative work" to satisfy the strict quotas for French-produced programming on the nation's television screens.

François Parrot of the French Syndicate of Interpretive Artists, declares: "A production dubbed into French to appear to respect French laws mocks the television viewer. We will not accept that." He and other critics demonstrated in front of the Ministry of Culture Jan. 10 to protest "Riviera," another French series called "Warburg," and the depressed state of French television production in general. At least one union threatens legal action to reverse the "original French" denomination.

The show's producers say they are sympathetic to its critics' desire to protect French-language production, but that the realities of putting together a truly international product require shooting in English. In any case, contends Trachtenberg, "Language is one aspect of a country's culture, but not the determinant aspect. And in every other way we have bent over backwards to make a commitment to French cultural integrity."

But there may be an even more immediate problem. Jane Small, director of sales at Granada Television, distributor of "Riviera" in Britain and Ireland, allows, "We might have to overcome the resistance in the U. K. to people speaking accented English. In many ways they're as conservative as the American audience."

And then there is the question of whether other Europeans will be inclined to watch the onscreen doings of the French five days a week. The producers hope that viewers will take the attitude of Giovanna Sabbatini, a Rome soap fan, who says: "I look at the work itself. If it's interesting, I don't care if it's French, Italian, American or Chinese."

And so it is of course up to her and viewers like her whether the experiment that is "Riviera" will end up being the wave of the future or a $40-million flop. Stay tuned. ■

David Appell, a former soap opera writer, is a New York based magazine editor and free-lance writer.

Sara de Saint-Hubert and Henri Serre in a scene.

MIDEM *Continued from page 13*

a Mozart string quartet. Ah! At last. Creation itself. Closing my eyes to listen to my goosebumps, however, I could not help but reflect on more important matters such as accounting problems caused by satellite footprints that cover scores of countries.

In the end you are forced to take MIDEM on its own terms. Goosebumpitis, a deadly plague, hovered over the Cannes Convention Center. Consider the Artistry of Ownership.

Jan Timmer, MIDEM's "Man of the Decade," is a virtuoso. President and chairman of the board of Philips, the Dutch electronics conglomerate, his vision and tenacity was the main force behind the compact disc. In 1984, when Timmer predicted the demise of the LP in the '90s, he was greeted with skepticism and derision. He had also insisted on the plastic "jewel box" package rather than a plain cardboard sleeve, "to respect the consumer." At the time, there were only 20,000 CD players on sale worldwide and not more than 300,000 discs (150 titles, mostly classical) to play on them. In 1990, an estimated 900 million CDs were sold.

Timmer occupies more than his own space, resembling a general who reads Shakespeare. Projecting confidence without aggressivity, knowledgability without being a know-it-all, his speech was built on stunning riffs delivered with carefully measured rhythm and dramatic inflection, like a master horsman: "We should not worry about how to divide the cake but how we can make the cake big-

Think of the accounting problems caused by satellite footprints.

ger . . . The Twin Carrier concept is a window of opportunity."

"Window of opportunity" means seizing the time; knowing when to act and having the courage. "Twin Carrier" is to say that he believes there is room for both cassettes and CDs in the marketplace. Specifically, given the authoritative speaker, there will probably be a Digital Compact Cassette (DCC) in our future. It appears we will be forced to buy new hardware again, this time, however, Timmer insists on "backward compatibility" to accommodate existing analog software — once more "to respect the consumer."

Here is a man of culture whose passion obviously encompasses both product and intellect. He has been known to enjoy a beer backstage with the band Dire Straits, whose leader Mark Knopfler he finds "a wonderful musician and a fascinating person to talk to."

But now, although we've been seduced along the way, the circle inevitably closes. Mark Knopfler wrote "Money for Nothing." ■

INTERNATIONAL ARTS AGENDA

AUSTRIA

Vienna

Albertina (tel: 534.83). To Feb. 27: 120 paintings by the Armenian-American artist Arshile Gorky.

Theater an der Wien (tel: 587.98.43). "Freudiana" a musical comedy based on the ideas of Sigmund Freud, with music by Alan Parsons Project, through May 14.

BELGIUM

Brussels

Credit Communal (tel: 222.45.05). To Feb. 10: African Royal Art From Benin, features pieces from collections in Vienna and Leyden.

ENGLAND

London

Barbican Art Gallery (tel: 638.4141). To April 1: "The Apotheosis of Love," a centenary tribute to 20th century British artist Stanley Spencer.

"Man Ray: Bazaar Years," fashion photographs from 1922 to 1942.

British Museum (tel: 580.17.88). To March 24: Archaeology and the Bible: one of the Dead Sea Scrolls is among 300 exhibits from the Holy Land dating back 9,000 years.

National Gallery (tel: 839.3321). To April 21: "Van Gogh to Picasso," 76 works including 14 by Seurat, eight by Cezanne and 45 Picassos, on loan from the Heinz Berggruen collection.

National Portrait Gallery (tel: 556.8921). To March 17: "The Raj: India and the British, 1600-1947," includes paintings, prints and photographs, as well as textiles, furnishings and a rare example of 17th-century elephant armor.

Royal Academy of Arts (tel: 734.9052). To Feb. 17: Egon Schiele and His Contemporaries: 52 paintings and drawings by Schiele, and works by Klimt, Kokoschka and others.

FRANCE

Paris

Bibliothèque Nationale (tel: 47.03.81.10). To March 17: "Memories of Egypt" a multi-media exhibition commemorating the bicentenary of the birth of the Egyptologist J.F. Champollion (1790-1832) includes 300 exhibits.

Centre Georges Pompidou (tel: 42.77.12.33). To Feb. 25: "Art & Pub," the link between art and advertising illustrated in 1,200 exhibits from 1890-1990.

Conciergerie (tel: 43.54.30.06). To Feb. 28: Saint Bernard and the Cistercian World: 300 exhibits — manuscripts, stained glass, paintings — focus on Bernard of Clairvaux (1090-1153) and the development of the Cistercian order.

Grand Palais (tel: 42.89.54.10). To Feb. 11: Simon Vouet (1590-1649): paintings, drawings and tapestries.

Musée d'Art Moderne de la ville de Paris (tel: 47.23.61.27). To March 10: Art in Belgium in the 20th century, includes 300 works.

Musée du Louvre (tel: 42.60.39.26). To Feb. 18: Roman drawings from Maratti to Piranese (1650-1760); 145 works are on view.

Musée d'Orsay (tel: 40.49.48.14). To March 10: From Manet to Monet: a panorama of occidental art from 1850 to 1914. Over 200 works, from the Museum's acquisitions since 1983.

Opéra Bastille (tel: 40.01.16.16). To Feb. 13: Luciano Berio's opera "Un Re in Ascolto," written in collaboration with the late Italian novelist Italo Calvino, produced by Graham Vick and conducted by Stephen Harrap.

Opéra de Paris, Palais Garnier (tel: 47.42.53.71). To Feb. 17: The Bolshoi Ballet with Prokofiev's "Ivan the Terrible," choreographed and directed by Yuri Grigorovich.

Tours

Musée des Beaux Arts (tel: 47.05.68.73). To Feb. 15: Zao Wou-Ki: paintings, prints and drawings.

GERMANY

Berlin

Deutsche Oper (tel: 341.02.49). A new production of Mozart's "Abuction from the Seraglio" conducted by Peter Schneider, staged by Gonter Kramer premieres Feb. 3.

Museum für Moderne Kunst. To March 10: 120 watercolors and drawings by Hans Uhlmann, one of Berlin's leading 20th century artists.

Nationalgalerie (tel: 2.66.60). To Feb. 25: Anselm Kiefer: Works 1983-1990.

Cologne

Wallraf-Richartz-Museum (tel: 221.23.79). To Feb. 14: Raphael and Italian Renaissance Drawing: masterworks from the museum's collection and from the Lille museum of art.

Dusseldorf

Kunstsammlung Nordrhein-Westfalen (tel: 13.39.61). To March 1: Modigliani: a retrospective which focuses on the artist's portraits includes 50 paintings, 80 drawings and nine sculptures.

Frankfurt

Schirn Kunsthalle (tel: 29.98.82). To March 3: Jean Dubuffet (1901-1985): a comprehensive retrospective of 300 portraits, sculptures, collages and graphic works.

Werkbund. To Feb. 17: From Bauhaus to Bitterfeld, 41 Years of Design From the G.D.R.

Hildesheim

Roemer und Pelizaeus Museum (tel: 1.59.79). To June 16: "Egypt: the Search for Immortality" 130 artifacts illustrate the Egyptian cult of the dead and concepts of eternity.

Munich

Hypo Kunsthalle (tel: 22.44.12). To March 3: "Royal Dresden: Court Art of the 18th Century" Paintings, porcelain, engravings and decorative art from Dresden museums.

Stuttgart

Staatsgalerie (tel: 212.50.50). To Feb. 17: Giuseppe. Maria Crespi (1665-1747): a retrospective of 100 paintings.

ITALY

Milan

Palazzo Reale (tel: 87.19.13). To April 28: "Settecento Lombardo: Masters and Apprentices from 1680 to 1780." More than 500 works including paintings by Crespi, Ricci and Borroni, and sculptures and engravings by Calegari and Saltiero.

Rome

Palazzo Ruspoli. To March 3: "From van Gogh to Klee," Expressionist masterworks from the Thyssen-Bornemisza collection.

Turin

Palazzo Reale. To Feb. 24: Marc Chagall: 70 drawings, watercolors and graphics, including work from the artist's years in Paris in the 1920s.

NETHERLANDS

Amsterdam

Rijksmuseum (tel: 63.21.21). To March 10: "Painters of Venice," a show of 50 examples of the Venetian "vedute," by Canaletto, Guardi and others, from collections worldwide. To Feb. 17: Dutch Watercolors of the 18th century, 70 works from the museum's collection.

Stedelijk Museum (tel: 573.29.11). To Feb. 11: Raymond Loewy: a retrospective of the industrial designer's work.

Van Gogh Museum (tel: 570.52.00). To Feb. 17: "Vincent van Gogh and Modern Art — 1880-1914." Fifty works by van Gogh and 130 works by artists including Braque, Picasso, Matisse, Max Ernst, E.L. Kirchner, Erich Heckel.

Groningen

Groninger Museum (tel: 18.33.43). To March 10: A "self-portrait" of the century art. Includes works by Dali, De Chirico, Ernst, Klein, Magritte and Picasso.

Madrid

Centro de Arte Reina Sofia (tel: 467.50.62). To May 6: "The Guggenheim Collection: Masterpieces of Modern Art." 160 paintings and sculptures from the Solomon R. Guggenheim Museum in New York and the Peggy

National Portrait Gallery, London

"The Four Generations: Queen Victoria (1819-1901) and Her Descendants," 1899, from an exhibition at the National Portrait Gallery in Washington.

museum in the form of 150 works from its collection, including Dutch silver, Master painting, modern art and archaeological exhibits.

The Hague

Gemeentemuseum (tel: 51.41.81). To April 1: Karel Appel: a retrospective of 100 paintings and other works honor the artist's 70th birthday.

SCOTLAND

Glasgow

Burrell Collection (tel: 649.71.51). To Feb. 10: "The Age of van Gogh: Dutch Painting 1880 to 1895."

SPAIN

Barcelona

Fundación Joan Miró (tel: 329.19.08). To Feb. 10: References to Greek and Roman antiquity in 20th

Guggenheim Collection in Venice. Includes works by Kandinsky, Picasso, Polock and van Gogh.

SWITZERLAND

Bern

Kunstmuseum (tel: 22.09.44). To Feb. 10: Henri Matisse: 70 sculptures and 120 graphic works from all periods of the artist's career.

Geneva

Musée Barbier-Mueller (tel: 86.46.46.). To April 15: "Pictorial Art of the Pygmies," features Pygmy art from Zaire. To April 15: "Predynastic and Pharaonic Egyptian Art," 67 archaeological pieces from the museum's collection.

Martigny

Fondation Pierre Gianadda (tel: 2.39.78). To Feb. 24: Camille Claudel: a retrospective of the artist's sculptures.

UNITED STATES

Chicago

Art Institute (tel: 443.3500). To April 21: Early modernist photography featuring works by Kertesz, Nadar and Rodchenko.

Fort Worth

Kimbell Museum (tel: 332.8451). To Feb. 24: An array of 52 classic garments and accessories from the 1960s are shown in "The Art of Fashion: The Radical Sixties."

Los Angeles

Getty Museum, Malibu (tel: 459.7611). To March 31: "A Thousand Years of the Bible: Medieval and Renaissance Manuscripts." On view are the most important illuminated and printed Bibles of the Museum. To April 14: "17th and 18th Century French Drawings."

New York

Brooklyn Museum (tel: 638.5000). To June 3: "Monet and His Contemporaries: Impressionism and Post-Impressionism." Includes works by Cezanne, Matisse, and Pissarro. To June 30: "The Blue of Jingtai: The Samuel P. Avery Collection of Chinese Cloisonne Vessels."

Carnegie Hall (tel: 247.7800). The San Francisco Symphony conducted by Herbert Blomstedt, featuring the cellist Yo-Yo Ma, Feb. 25. The Vienna Philharmonic conducted by Claudio Abbado, Feb. 26 to March 3.

Museum of Modern Art (tel: 708.9750). To March 19: 170 portraits from the Museum's collection, chosen by American artist Chuck Close, third exhibit in the "Artist's Choice" series.

Richmond

Virginia Museum of Fine Arts (tel: 367.0878). To March 3: "American Photography: 1839-1900." To March 24: "Black Art/Ancestral Legacy" examines the influence of African art and culture on 20th century African-American artists.

San Francisco

Museum of Modern Art (tel: 863.8800). To March 24: 120 black and white photographs trace the career of Josef Koudelka.

Washington

Corcoran Gallery (tel: 638.3211). To March 31: "Tony Cragg: Sculpture 1975-1990."

National Gallery (tel: 737.4215). To Feb. 24: Anthony Van Dyck (1599-1641): a show including about 100 paintings. To April 28: "Eva/Ave: Woman in Renaissance and Baroque Prints," 152 woodcuts and other prints.

National Portrait Gallery (tel: 357.2700). To Feb. 17: "Lincoln and his Contemporaries: Photographs by Mathew Brady from the Frederick Hill Meserve Collection." To Feb. 18: 150 images of British personalities are presented in "Camera Portraits: Photographs from the National Portrait Gallery, London, 1839-1989."

Arthur M. Sackler Gallery (tel: 357.2700). To May 26: "Antoin Sevruguin: Photographs of Iran." A look at Iranian society at the turn of the century.

Classified Valentine Message Contest

Every year on February 14th, more and more people use the Trib's classified section to send a greeting to the Valentine of their choice and some of them get pretty creative.

This inspired us to have some fun with our readers by launching a contest for the most original classified Valentine. Here's how it works.

Print your classified message on the form below—minimum 3 lines—and mail it to your nearest IHT office together with your remittance or your credit card reference. Your ad will run on Valentine's day (Thursday, February 14th) and that evening the jury will meet to select the winners. The results will be published in the IHT's edition of Thursday, February 21st.

So have some fun with us, wherever you may be. Get your creative juices flowing and send in your entry today.

International Herald Tribune

PARIS: 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel.: (33-1) 46 37 93 85. Fax: 46 37 93 70. Telex: 613595

Please run my Valentine message in the IHT on Thursday, February 14, 1991

☐ My check is enclosed ☐ Please charge my credit card account:

Cost:	3lines	4 lines	5 lines
U.S.$	51	68	85

Card account number

☐ Visa ☐ MasterCard ☐ Amex ☐ Eurocard ☐ Amex ☐ Diners

Card expiry date _____ Signature _____

Name _____

Address _____

City/Country _____

Tel./Telex _____ 1-2-91

First line of text takes a maximum of 25 letters, symbols or spaces; all other lines up to 36. No abbreviations. Minimum space accepted: three lines.

FIRST LINE OF TEXT:

ACROSS

1 Spunky
5 An anagram for leaps
10 Rat's nest
14 Coin of old Greece
15 Pineapple
16 Palo ——, Calif.
17 Merry soul's cabbage salad
20 Actress in "Rosie!"
21 Fits to ——
22 Actor Ole and family
23 Petri-dish filler
24 —— culpa
25 Calico horses
28 Switchblade: Slang
30 Elec.-current unit
33 Melville novel
34 Golfer's hole- ——
35 Actor Majors
36 Pieman greeter plays a game
40 Apple-cider gal
41 Growing out
42 "—— a man who wasn't there"
43 Actor Danson
44 P.M.'s
45 Philanthropists
47 Well-known Hollywood initials
48 Like early TV
49 More pallid
52 Vendition
53 Star below Coogan's Bluff
56 Second-story London visitor
59 Ballet star Bruhn: 1928-86
60 Fungus disease of rye
61 Yorkshire river
62 Forswear
63 Cordwood measure
64 Lug

DOWN

1 Like Whitman
2 Habile
3 Style
4 Wapiti
5 Yule figures
6 Incensement
7 Cluny product
8 Em followers
9 Golden-coated horse
10 S. Foster decedent
11 "—— et Lui": Sand
12 Satirist Freberg
13 Emulates Appleseed
18 A role for J. Ferrer
19 Field-hockey team
23 At the pinnacle
25 Presuppose
26 Ammonia compound
27 Wanderer
28 Agitated states
29 Where you hang your hat
30 Davy Crockett defended it
31 Author of "The Seven-Per-Cent Solution"
32 Nuisances
34 "—— with Love . . .": Rossetti
37 "Stone-Age Africa" author
38 Strong-arms
39 Trigonometric function
45 Water down
46 Priestley's "Johnson —— Jordan"
47 Perilous
48 Part of A.F.L.
49 Mimicked
50 Singer Al B. ——
51 —— Hsüeh, a Chinese philosophy
52 Computer pt.
53 Hodgepodge
54 Banbury treat
55 Kind of house
57 It hangs in the Louvre
58 Roscoe

Solution to Previous Puzzle

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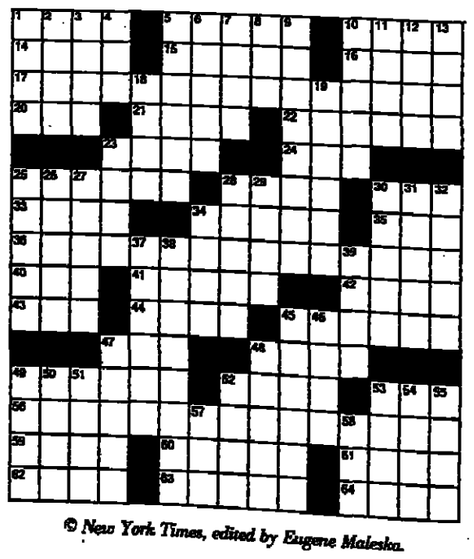

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مكنا من الاصل

WEEKEND

Holly Hunter, Laura San Giacomo in "Once Around."

Film Stereotypes

Continued from page 13

are made, someone thought it was a good idea for Lasse Hallstrom, the Swedish director of the sensitive and witty 1985 film "My Life as a Dog," to direct Holly Hunter as an Italian-American princess from Boston.

If things had turned out differently, that might have seemed like a daring, imaginative move. As it happens, "Once Around" is staggeringly dull and unconvincing as both comedy and drama. Among its many problems, the synthetic Italian-Americans on screen owe far more to "Moonstruck" and Hollywood than to Naples or Sicily.

This is the kind of Italian family held together by Krazy Glue, and they work overtime to seem heartwarming. Hunter plays Renata Bella, who is so close to her family that when her boyfriend refuses to marry her she not only goes crying to her parents, she wanders into their room at night and whines, "Can I sleep with you?" Mom scoots over closer to Dad, and Renata jumps in.

The plot supposedly turns on Renata's later romance with Sam (Richard Dreyfuss), an obnoxious, wealthy salesman who makes much of his Lithuanian heritage, though being Lithuanian here means nothing more than not being Italian. He breaks the tight Bella family circle to such an extent that Hunter, in a fake-Boston accent that might have arrived via Stockholm, finally yells, "You're tearin' us apaht!"

At every turn, being Italian is meant to justify inexplicable behavior. When Sam provokes a family argument, the patriarch (Danny Aiello) orders him out of the house in what seems like a peculiar overreaction but is certainly no stranger than a woman in her 30s crawling into her parents' bed.

When Renata's sister, Jan (Laura San Giacomo), gets married, she and her husband just move into her old room. Behavior like this is taken for granted as some quaint Italian tribal custom, as stereotypes replace any hint of personality or emotion.

Oddly enough, to find ethnic identities that are worn like well-tailored suits, you'd have to turn to the "Godfather" films or "GoodFellas." Though their organized crime families are more lethal than the Bellas, they are less insulting stereotypes.

For even the most repellent characters in these films are defined as individuals who are partly shaped by Italian neighborhoods and backgrounds, partly shaped by their own peculiar psychologies.

It is too obvious to say that Francis Ford Coppola and Martin Scorsese capture the texture of Italian-American families more sharply than Lasse Hallstrom. What matters is that "The Godfather" and "GoodFellas" create believable ethnic characters instead of shallow ethnic types. ■

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Above the Yellow River, An Unexpected Scene

by Orville Schell

YICHUAN, China — Around a hairpin turn, after two days of driving on rough roads through the treeless loess hills of Shanxi Province in northeast China, suddenly, several thousand feet below, was the legendary Yellow River. It was enough to take one's breath away.

Not only was the canyon through which it wound spectacular, but at this particular spot, called Hukou — "teapot spout" in Chinese — the river plunged over a precipice and roared into a gorge no wider than a city street. Through the spray that rose like mist from the churning cataract, a rainbow arched over the river.

As spectacular as this remote setting was, it was hard not to be more astonished by another feature on the landscape. Parked on a dirt road was a truck with a tangle of electrical cables snaking out the back and down to a rustic tea house at the gorge's edge. The tea house was a film set, and the truck contained a generator being used by Chen Kaige, the director, to shoot his latest film, "Life on a String," the tale of a blind storyteller and his blind apprentice.

Chen's award-winning 1984 film, "Yellow Earth," a stark but hauntingly beautiful evocation of peasant life in these hills, first brought him and China's new "fifth generation" of film directors to international prominence. Now, after studying and working in New York City since 1987, Chen had returned to China to shoot a new film. He is the first Chinese director of his generation to have lived abroad for an extended period, to have learned English and begun to assimilate into the international artistic community.

Chen's odyssey from New York to Hukou with his 80-member film crew-cum-equipment was in some respects more nightmarish than dreamlike. While the logistical difficulties were daunting, they were minor compared to the problems of getting the film financed and approved back in Beijing.

Like other filmmakers in China, Chen is conscious of the government's grip over artists who depend on being in their country to create. He is well aware that his ability to shoot in China depends on the government's approval.

One formidable problem was getting the movie financed. As any filmmaker is quick to admit, because Deng Xiaoping's economic reforms have created a situation in which most cultural projects must

The director at work.

be self-supporting, there is now virtually no money available in China for film projects that are not either hard-core party propaganda or kung fu/romance movies with a big box-office potential.

Chen solved the problems of financing and avoided many of the attendant bureaucratic hurdles that hamper other Chinese directors by teaming up with Donald Ranvand, an English producer he had met at the Berlin Film Festival. With the help of his wife, Hong Huang, Chen created a consortium of British, German and Japanese investors.

Then, working through the Beijing Film Studio, they assembled an all-Chinese crew. It was a one-of-a-kind achievement in Chinese cinema; the first film project shot in this country by a Chinese crew and director that was financed completely by foreign interests.

"The reason I could even consider making this film was because the financing was from outside China," Chen acknowledged. "If I had been forced to make the movie with local funds, it would have been almost impossible. I would have had to go to endless meetings with people who know absolutely nothing about film, and obey endless bureaucrats whose only objective is to control, criticize and censor."

Even after the question of financing was resolved, there were other hurdles. Whereas approval of film projects used to be under the jurisdiction of the Ministry of Culture, now the arts are again receiving closer party scrutiny.

To make a movie, a filmmaker must first become associated with an official Chinese production unit, such as the Beijing Film Studio; next, the script must be submitted to the China Film Co-production Company; then it must be examined by the Ministry of Broadcast, Television and Film, which is now overseen by the Propaganda Department of the Central Committee of the Chinese Communist Party.

Since dissent in the artistic world is often carried out indirectly through the artifice of allegory and historical analogy, a script is carefully scrutinized at each stage of this process.

The script for "Life on a String" was adapted from a deceptively simple story by Shi Tiesheng, a writer who was paralyzed from the waist down. Shi's tale about a blind storyteller and a blind boy who wander from village to village accompanying themselves on the sanxian, a traditional three-stringed instrument, can be viewed on one level as just a story about dealing with physical adversity and fate.

But on a deeper level, it probes both the seductiveness and dangerousness of leaders who set themselves up as godlike authorities and the mythologies they tend to spin around themselves. For in spite of his blindness, the old man possesses just such charismatic

A scene from "Life on a String," made after Chen Kaige's return from New York.

traits, and at one point his charisma enables him miraculously to bring about a truce between two warring clans.

His belief in the future and his power to lead others depend, however, on a prescription for a remedy to cure his blindness that he believes is hidden inside his sanxian. Many years ago, when he acquired the instrument, he was told that only after he had broken the thousandth string while accompanying his storytelling could he remove the prescription and buy the medicine.

But when he tries to do this, he finds only a slip of blank paper. With his illusions shattered and hope for salvation vanished, he goes crazy. His apprentice, the young blind man, harbors no such illusions. He not only survives, he thrives — as an individual sustained by a love of life rather than the worship of the masses.

For Chen, the dichotomy between these two characters has obvious parallels to China's national dilemma. The director sees the film as a cautionary tale warning people against surrender to the intoxicating ideologies and charismatic leaders that give rise to hope and a sense of direction.

THE film is also a thinly veiled rumination on the need of leaders to feed their egos with massive doses of public adoration.

"I am very interested in both characters," he said. "Maybe I can't say which one leads the better life. But, you know, Chinese are always trying to find a godlike leader to look up to, and the young boy does not like it when the old man acts as if he were a god. Actually, I guess I am happy when the old man dies, because his death liberates the boy and allows him to start making decisions for himself, decisions that were impossible under the old man's tutelage."

Does the director see analogies between his two heroes and China's own generational conflict?

"All that I can say is that my hope is that the younger generation of China can turn out to be somewhat like the young boy; to be more centered and better able to make independent judgments. So, in this sense I do root for the boy as the hope of the future.

"But, finally, I don't know if human beings, particularly Chinese, can survive without some hope or dream like the old man. So actually, I'm not sure whose side I'm on. All that I can say is that both of them interest me, and all that I can continue doing is making films. That is the most powerful way I have of speaking out." ■

Orville Schell is the author, most recently, of "Discos and Democracy: China in the Throes of Reform" (Anchor Doubleday). He wrote this for The New York Times.

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d Alpha Worldwide SF 4.80
d Gold Share $ 0.89
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d Sterling Reserve £ 13.17
d US$ Reserve $ 11.56
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w Germany Fixed Income DM 100.89
w Netherlands Fixed Income Fl 99.14
w US Dollar Fixed Income $ 109.26
w Japan Equity Y 9855.80
w Pacific Equity $ 86.12
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w Int'l Portfolio B Ecu 98.39
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m Dual Futures Fd Cl B Units $ 110.25
m Dual Futures Fd Cl C Units $ 105.32
m Dual Futures Fd Cl D Units $ 106.08
m Galaxy Futures Fund Ltd $ 113.81
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d Indosuez Hong Kong Fund $ 14.300
w Int'l Bond Fund $ 11.08
w IPNA-3 $ 530.00
w ISA Japan Rec. Gr. Fund Y 805.00
w Japan Fund $ 12.705
d Japan Warrant Fund $ 2.86
w Malacca Fund $ 13.78
w Managed Trust $ 16.265
w Manila Fund $ 7.02
w North American Fund $ 31.030
w Or. Vent. Tst. $ 38.185
w Pacific Gold $ 10.77
w Pacific Trust HK$ 19.440
w The Siam Fund $ 20.85
w Singap & Malay Trust $ 12.390
w Tasman Fund $ 3.46
d Worldwide Growth Fund $ 9.738
BANQUE PRIVEE E. DE ROTHSCHILD
w Daiwa Capital E. Fund $ 972.72
w Daiwa LCF Rothschild $ 1090.06
w Ecu D'Or Ecu 66.36
b Pri-Tech $ 1183.91
b Source Sicav $ 12.18
BANQUE SCANDINAVE EN SUISSE-GENEVA
w Intelbond Chf SF 71.91
w Intelsec Chf SF 1380.71
w Universal Intelbond $ $ 16.38
w Universal Intelbond FF FF 105.40
w Universal Intelsec $ 13.37
BEARBULL
w BB Forex Ltd $ 1016.00
w BB Futures Ltd $ 992.44
w BB Global Ltd BEF BF 809.27
w BB Global Ltd CHF SF 8.82
w BB Global Ltd FRF FF 88.91
BNP INTERFUNDS
BNP LUXEMBOURG
w Interbond Fund $ 216.00
w Interbelgian BF 53138.08
w Interecu Fund A Ecu 264.63
w Interecu Fund B Ecu 1115.63
INTER CASH
f France Securite FF 13224.81
f Franco Monetaire FF 11257.86
f ECU Ecu 1467.48
f US$ $ 1107.47
f DM DM 2221.07
f GBP £ 1144.61
f FRF FF 15301.64
f France Capital FF 12345.02
INTER OPTIMUM
w BEF/LUF BF 75895.00
w Multidevises DM DM 2094.36
w US$ $ 1053.33
w FRF FF 11021.07
INTER STRATEGIE
w France FF 8826.85
w Europe du Nord £ 977.72
w Europe du Centre DM 1772.26
w Europe du Sud Ecu 860.05
w Japon Y 127249.08
w Amerique du Nord $ 980.83
w Sud-Est Asiatique $ 771.77
BNP JERSEY
INTER CURRENCY
w US$ $ 12.0713
w DM DM 33.7288
w GBP £ 12.0287
w International Managed $ 11.3013
INTER EQUITY
w French Offer $ 15.23
w Pacific Offer $ 15.33
w North American Offer $ 10.22
w European Class $ 9.26
w Australia Class $ 8.75
BROADGATE INTERNATIONAL FUND
d $ Money Market $ 14.83
d Non-$ Money Market DM 33.75
d $ Bond $ 34.56
d Non-$ Bond DM 31.98
d European Equities $ 9.61
d Global Equity $ 16.34
d Global Bond $ 15.69
d Global Bond & Equity $ 15.11
d Pacific Equities $ 10.15
d Prec. Mets / Min. Secs. $ 5.12
CAISSE CENTRALE DES BANQUES POP.
w Fructilux Actions Euro Ecu 1039.22
w Fructilux Actions Fses FF 5951.98
w Fructilux Court Terme FF 6519.94
d Fructilux Oblig. Euro Ecu 1177.21
d Fructilux Oblig. Fses FF 6356.95
CALLANDER
w Callander Emer. Growth $ 117.49
w Callander F-Asset $ 85.05
w Callander F-Austria AS 1324.93
w Callander F-Spanish Pta 7409.80
w Callander Swiss Growth SF 117.48
CAPITAL INTERNATIONAL
w Capital Int'l Fund $ 88.74
w Capital Italia SA $ 35.60
CCF-GAMMA
w CM Actibonds $ 38.39
w CM Global Growth $ 9.72
w Elysees Court Terme FF 64617.54
w Elysees Long Terme FF 58083.65
w Elysees Monetaire FF 67945.99
w EMF D-Mark (A & B) DM 955.42
w EMF Dutch Gul. (A & B) Fl 1042.97
w EMF Ecu (A & B) Ecu 1017.30
w EMF Sterlings (A & B) £ 522.22
w EMF US Dollar (A & B) $ 1027.87
w EMF Yen (A & B) Y 97010.08
d Europe Prest. Fund A Ecu 8.61
d Europe Prest. Fund B Ecu 10.13
d Europe Smlr Comp. Fd B Ecu 11.71
w Europe Smlr Cos. Fd A Ecu 11.71
CDC INTERNATIONAL
w CFI Court terme FF 132834.70
w CFI Long Terme FF 1130882.86
CIC GROUP
d Obilcic Court Terme FF 12743.96
d Obilcic Monetaire FF 12907.89
CITICORP INVESTMENT BANK (Lux)
POB 1373 Luxembourg Tel. 477 95 71
d Citicurrencies Managed $ 125.55
d Citicurrencies US$ $ 1447.19
d Citinvest Guardian $ $ 1090.81
d Citinvest Guardian Euro Ecu 1098.83
d Citinvest Mngd Growth $ 1206.07
d Citinvest Mngd Grth Euro Ecu 1013.86
d Citinvest Selector $ 862.57
d Citiport Asia Pacific Bond Y 11181.00
d Citiport Cont. Euro. Equity Ecu 118.46
d Citiport Eamec $ 97.32
d Citiport Euro Bond Ecu 111.53
d Citiport French Equity FF 973.86
d Citiport German DM 72.65
d Citiport IAPEC $ 118.00
d Citiport Japan Equity Y 5892.00
d Citiport N.A. $ Bond $ 124.83
d Citiport N.A. Equity $ 162.24
d Citiport Swiss SF 78.78
d Citiport UK Equity £ 97.36
CITITRUST
w Citiland $ 229.93462
w Citiperformance Ptfl S.A. $ 9.74822
w Global Bonds $ 11.87000
w Global Equities $ 7.24980
w Global Money Market $ 12.94800
w US $ Bonds $ 13.55322
w US $ Equities $ 196.22480
w US $ Money Market $ 13.88638
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27247
w Bond : Dollar Med. Term $ 10.85
w Bond : Ecu Multicurr Ecu 18.35
w Equity : United Kingdom £ 7.02
CREDIT AGRICOLE : MOSAIS
d Actions Bassin Pacifique $ 13.59
d Actions Europeennes Ecu 13.72
d Actions Francaises FF 96.91
d Actions Int'l Diversifiees FF 95.56
d Actions Japonaises Y 1949.39
d Actions Nord-Americaines $ 18.41
d Court Terme Ecu Ecu 16.34
d Court Terme FF FF 109.35
d Court Terme US$ $ 15.65
d Oblig Europeennes Ecu 16.13
d Oblig Francaises FF 108.90
d Oblig Haut Rendement $ 17.09
d Oblig Int'l Div Sensib Red. FF 105.34
d Oblig Int'l Diversifiees FF 104.27
d Oblig Nord-Americaines $ 15.59
CREDIT SUISSE (Issue Prices)
d Actions Suisses SF 499.25
d Bond Valor £ Sterling £ 84.32
d Bond Valor D-Mark DM 97.47
d Bond Valor Swf SF 97.40
d Bond Valor US-Dollar $ 113.57
d Bond Valor Yen Y 9484.00
d Canasec SF 471.50
d Convert Valor Swf SF 130.95
d Convert Valor US-Dollar $ 174.86
d CS Ecu Bond A Ecu 94.89
d CS Ecu Bond B Ecu 129.62
d CS Euro Blue Chips A DM 216.42
d CS Euro Blue Chips B DM 216.42
d CS Euro Finance Fd A DM 208.38
d CS Euro Finance Fd B DM 208.38
d CS Europa Bond A DM 256.50
d CS Europa Bond B DM 200.60
d CS Fixed I DM 8% 1/96 DM 180.48
d CS Fixed I Ecu 8 3/4% 1/96 Ecu 100.26
d CS Fixed I SF 7% 1/96 SF 101.05
d CS Gold Valor $ 113.31
d CS Golden Bond A Fl 92.06
d CS Golden Bond B Fl 114.86
d CS Hispano Iberia Fd A Pta 20376.00
d CS Hispano Iberia Fd B Pta 20376.00
d CS Money Market Fd £ £ 1811.83
d CS Money Market Fd $ $ 1288.32
d CS Money Market Fd C$ C$ 1056.43
d CS Money Market Fd DM DM 1362.89
d CS Money Market Fd Ecu Ecu 1048.61
d CS Money Market Fd Yen Y 126345.00
d CS Oeko-protec A DM 248.72
d CS Prime Bond A $ 92.22
d CS Prime Bond B DM 104.31
d CS Short-T. Bond $ A $ 98.25
d CS Short-T. Bond $ B $ 128.87
d CS Short-T. Bond DM A DM 93.79
d CS Short-T. Bond DM B DM 117.63
d CS Tiger Fund $ 561.93
d CSF Bonds SF 69.25
d CSF International SF 114.80
d Energie-Valor SF 130.75
d Europa-Valor SF 191.25
d Pacific-Valor SF 128.25
d Ussec SF 612.00
CSFB FUND MGMT Ltd (0481-712996)
PB122, St Peter Port, Guernsey
w Islamic Mgmt Fund Ltd $ 928.51 *
DIT INVESTMENT FFM
d Concentra + DM 42.08
d Int'l Rentenfond + DM 69.36
EBC TRUST CO. (Jersey) Ltd
1-3 Sele St, St Helier : 0534-36331
EBC AMRO TRADED CURRENCY FUND
d Capital $ 23.075
d Income $ 14.739
INTERNATIONAL INCOME FUND
w Long Term $ 32.4542 *
d Short Term A (Accum) $ 0.4942
d Short Term A (Distr) $ 0.3211
d Short Term B (Accum) $ 0.9621
d Short Term B (Distr) $ 0.4465
ELDERS INT'L MGMT SRVCS
see PRISM ASSET MANAGEMENT
ELDERS SWITZ (030) 25 17 25
w Elders Australian AS 85.25
w Elders Int'l SF 94.00
EQUIFLEX LIMITED
w Europe A Fl 8.79
w North America A Fl 8.27
w UK Small Companies £ 5.18
EURO PACIFIC ADVISERS Ltd
w Meteore Y 102538.00
w Pacific Horizon Invt. Fd $ 1709.30
FIDELITY INT'L INV. SERVICES (Lux)
d Balanced Ptfl Hedged $ 10.98
d Balanced Ptfl Unhedged $ 10.63
d Conv. Securities Ptfl $ 8.68
d Discovery Fund $ 15.40
d Dollars Saving Trust $ 184.03
d Far East Fund $ 62.80
d Fid. Amer. Assets $ 134.79
m Fid. Amer. Values III Com $ 62.70
m Fid. Amer. Values IV $ 84.88
d Fid. Australia Fund $ 14.89
d Frontier Fund $ 22.59
d Global Ind Fund $ 13.08
d Global Selection Fund $ 12.31
d International Fund $ 13.59
d New Europe Fund $ 9.83
d Orient Fund $ 97.28
d Pacific Fund $ 299.83
d Special Growth Fund $ 31.16
d World Fund $ 63.53
FINAFUTURES FINLEY (1-809-323-5839)
w Portfolio (Est.) $ 1.13
FOKUS BANK A.S. 472 428 555
w Scanfonds Int'l Growth Fd $ 1.47
GAIA CURRENCY FUNDS
w Gaia Hedge I $ 119.08
w Gaia Hedge II $ 248.39
w Gaia Hedge III $ 68.61
GAM ANLAGEFONDS AG.
POB 164. 8034 Zurich Tel : 41-1-2516440
d GAM (CH) America SF 1284.00
d GAM (CH) Europe SF 74.00
d GAM (CH) Mondial SF 1160.00
d GAM (CH) Pacific SF 1534.00
GAM TRADITION ANGLEFONDS AG.
d GAM Tradition SF 811.00
GARTMORE FUND MANAGERS INT.
45, La Motte Street, Jersey 0534 27301
CAPITAL STRATEGY FD Ltd
d American $ 1.587
d Asia Pacific Fund $ 1.935
d Australasian Fund $ 0.3002
d British £ 2.238
d Canadian Fund C$ 0.8059
d Eastern European Fd DM 4.118
d Emerging Markets Fund $ 0.9047
d European Fund DM 4.743
d Global Resources Fund $ 0.6866
d International Growth $ 2.799
d Japan Fund Y 531.6
d Ecu Bond Fund Ecu 0.9866
d Global Conv. Bond Fd $ 16.85
d International Bond $ 1.395
d Sterling Bond £ 1.0510
d Austr. Dollar Deposit A$ 1.120
d DM Deposit DM 5.333
d French Franc Deposit FF 10.83
d Sterling Deposit £ 1.022
d Swiss Franc Deposit SF 5.350
d US$ Deposit $ 1.064
d Yen Deposit Y 530.1
GARTMORE INDOSUEZ FUNDS 30/01/91
Tel : (352) 46 54 24 470
Fax : (352) 46 54 23
BOND PORTFOLIOS
d Deutsche Mark Bond DM 5.84
d Dollar bond $ 2.01
d Global Bond $ 2.03
EQUITY PORTFOLIOS
d Europe Ecu 8.97
d International $ 2.00
d Japan Y 240.08
d Natural Resources $ 1.34
d North America $ 2.07
d Pacific $ 2.02
d Singapore Malaysia SG$ 5.15
d Switzerland SF 2.49
GEFINOR FUNDS
London : 071-4994171, Geneva : 41-22355530
w East Investment Fund $ 788.24
w Scottish World Fund £ 161.5139
w State St. American $ 261.82
GENERALE BANK
(See also Interselex Group)
d Rentinvest $ 29.53
d Capital Rentinvest LF 149.82
d Rentinbel Distribution LF 9155.00
d Rentinbel Capitalization LF 11604.00
GENESEE FUND Ltd
w (B) Genesee Short $ 107.30
w (C) Genesee Opportunity $ 98.88
w (E) Genesee Balanced $ 108.13
GLOBAL ASSET MANAGEMENT
11 Athol St. Douglas, I.of Man 44-624-626037
w GAM America Inc. $ 308.02 *
w GAM Arbitrage Inc. $ 228.12 *
w GAM ASEAN Inc. $ 149.64 *
w GAM Australia Inc. $ 112.10 *
w GAM Bond Fd Inc. £ £ 107.70
w GAM Bond Fd Inc. DM DM 89.28
w GAM Bond Fd Inc. SF SF 78.80
w GAM Bond Fd Inc. US Ord. $ 115.64
w GAM Bond Fd Inc. US Spe. $ 124.84
w GAM Bond Fd Inc. Yen Y 11448.00
w GAM Boston Inc. $ 259.57
w GAM Europa Fund $ 83.24
w GAM European Inc. $ 96.35 *
w GAM Franc-Val Inc. SF 151.73
w GAM France Inc. FF 1307.60
w GAM Global Fund $ 182.92 *
w GAM High Yield Inc. $ 78.31
w GAM Hong Kong Inc. $ 282.11 *
w GAM International Inc. $ 328.73 *
w GAM Japan Inc. $ 289.22 *
w GAM Mill-Mar Deferred Cl $ 102.93
w GAM Mill-Mar Fd Inc Allocs $ 107.46
w GAM Mill-Mar Fd Inc Gen Eq. $ 104.15
d GAM Mill-Mar Fd Trading $ 173.58
w GAM Money Mkts Fd £ £ 101.38
w GAM Money Mkts Fd $ $ 100.71
w GAM Money Mkts Fd DM DM 100.72
w GAM Money Mkts Fd SF SF 100.73
w GAM Money Mkts Fd Yen Y 10077.00
w GAM North America Fund $ 104.47
w GAM Pacific Basin Fund $ 128.97 *
w GAM Pacific Inc. $ 200.31 *
w GAM Restr. Fund Inc. $ 127.00
w GAM Selection Inc. $ 344.78
w GAM Singap-Malay Inc. $ 222.18 *
d GAM Sterling Spec. Bd Fd £ 100.08
d GAM Swiss Fr Spec Bd Fd SF 79.92
w GAM Tyche S.A. Class A $ 195.51
w GAM U.S. Inc. $ 169.77
w GAM Univ. Accumulation $ 104.18
w GAM Univ. D-Mark Acc. DM 107.53
w GAM Univ. D-Mark Inc. DM 101.53
w GAM Univ. Income $ 104.18
w GAM Univ. Spain Inc. SF 87.60
w GAM UT Inc. $ 382.12
w GAM Value Inc. $ 82.48
w GAM Whitethorn Fund Inc. $ 140.92
w GAM Worldwide Inc. $ 381.68 *
w GSAM Composite Inc. $ 223.61
GT MANAGEMENT PLC
d G.T. ASEAN Fund $ 42.22
d G.T. Asia Fund $ 17.02
d G.T. Australia Fund $ 22.54
d G.T. Berry Japan Fund $ 27.25
w G.T. Biotech/Health Fd. $ 14.49
d G.T. Bond Fund $ 17.24
d G.T. Britain Fund £ 6.74
d G.T. Deutschland Fund DM 11.89
d G.T. Dollar Fund $ 18.73
w G.T. Emerging Mkts Fd $ 7.59
w G.T. Euro Small Co Fd $ 29.28
w G.T. Europe Fund $ 29.77
w G.T. Global Small Co Fd $ 14.56
d G.T. Global Techno. Fd $ 15.90
d G.T. Hong Kong Fund $ 28.47
d G.T. Honshu Pathfinder $ 10.60
d G.T. Investment Fund $ 13.60
w G.T. Japan OTC Stocks Fd $ 8.75
w G.T. Japan Small Co Fd $ 13.35
d G.T. Korea Fund $ 4.78
w G.T. Nat Res Fd Gold Cl $ 4.81
w G.T. Newly Ind Countr Fd $ 24.87
d G.T. Select Dollar Bd Ptfl $
d G.T. Select Gilt Ptfl £
d G.T. Select Int'l Bd Ptfl $
r G.T. Technology Fund $ 38.27
d G.T. UK Small Companies £ 7.21
d G.T. US Small Companies $ 13.28
GUINNESS FLIGHT FUND MANAGERS LTD
GUERNSEY
GUINNESS FLIGHT Glbl Strategy Fd Ltd
d Managed Currency Fd $ 35.91
d Global Bond Fd $ 29.94
d Global High Inc Bd Fd $ 21.86
d Gilt and £ Bd Fd £ 9.900
d Euro High Inc Bd Fd £ 20.13
d Global Equity Fd $ 63.80
d American Blue Chip Fd $ 20.29
d Japan and Pacific Fd $ 48.32
d UK Fund £ 18.07
d European Fund $ 89.52
GUINNESS FLIGHT Int'l Fd Ltd
d Deutschemark Money Fund DM 69.319
d Sterling Money Fund £ 21.786
d Swiss Franc Money Fund SF 32.879
d US Dollar Money Fund $ 34.392
d Yen Money Fund Y 6999.105
HILL SAMUEL GLOBAL PORTFOLIO
1A rue Pierre d'Aspelt Luxembourg 1142
d H.S. Glbl Ptfl £ Fix Int £ 10.15
d H.S. Glbl Ptfl Eur Fix Int DM 9.38
d H.S. Glbl Ptfl Euro Eq. DM 7.86
d H.S. Glbl Ptfl Glbl Bond $ 10.33
d H.S. Glbl Ptfl Glbl Eq. $ 9.01
d H.S. Glbl Ptfl Glbl Mngd $ 9.28
d H.S. Glbl Ptfl Jap Eq. Y 687.00
d H.S. Glbl Ptfl N. Amer Eq. $ 9.84
d H.S. Glbl Ptfl Pac Bas Eq. $ 9.25
d H.S. Glbl Ptfl UK Equity £ 8.66
d H.S. Glbl Ptfl UK Sm Co Eq £ 9.80
d H.S. Glbl Ptfl US Sm Co Eq $ 8.97
HILL SAMUEL INVEST. MGMT. INTL S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
d Crossbow (Far East) SF 11.61
d CSF (Balanced) SF 33.70
d European Equity Fund DM 15.47
d Int'l Bond Fund $ 13.35
d Int'l Currency US $ 27.98
d Int'l Currency US Mngd $ 29.14
d ITF Fd (Technology) $ 15.16
d O'seas Fd (N. America) $ 50.63
IAM, 2 Bd. Royal LUXEMBOURG
w IAM Bonds Fd-France A FF 625.40
w IAM Bonds Fd-Allem. B DM 231.06
w IAM Bonds Fd Japon C Y 10643.00
w IAM Bonds Fd Div. B FF 515.98
w IAM Europe 1992 Ecu 84.87
w IAM Europe 90/10 Ecu 102.44
w IAM Europe du Sud Ecu 88.47
w IAM Europe Global Ecu 78.17
w IAM Europe Lune Ecu 79.41
d IAM Flexible Fund Ecu 84.14
INTERSELEX GROUP
d Int. America Fund $ 16.34
d Int. Belgo Fund BF 2296.00
d Int. Europa Sicav LF 5263.00
d Int. Pacific Fund $ 958.96
d Int. World Fund $ 87.45
INVESCO MIM INT'L, POB 271, Jersey
w Amer. Inc & Growth $ 1.261 *
d Asia Super Growth Fund $ 10.81
d Dollar Mngd Curr $ 14.86 *
d Dollar Mngd Ptfl $ 2.071
d Gold & Prec. Metals $ 0.758 *
d Gtd. N.W. 1994 $ 7.89
d Int. High Income $ 2.580 *
d Japan Dollar Perf. Fund $ 3.000
d Jersey Gilt £ 0.1800
d Nippon Warrant Fund $ 9.39
d Okasan Global Strat $ 15.98
d Pioneer Markets $ 2.134
d Sterling Mngd Curr. £ 17.01
d Sterling Mngd Ptfl £ 1.434
d UK Growth £ 0.919 *
ITALFORTUNE INTL. FUNDS
w Class A (Aggr. Growth Ital.) $ 47.19
w Class B (Global Equity) $ 10.65
w Class C (Global Bond) $ 12.07
w Class D (Ecu Bond) Ecu 10.02
JARDINE FLEMING, GPO Box 11448 Hg Kg
d JF ASEAN Trust $ 20.30
d JF Far East Wrnt Tr. $ 7.22
d JF Glbl Conv. Tr. $ 11.25
d JF Hong Kong Trust $ 74.60
d JF Japan Sm. Co Tr. Y 52803.00
d JF Japan Trust Y 14018.00
d JF Malaysia Trust $ 8.80
d JF Pacific Inc. Tr. $ 77.47
d JF Thailand Trust $ 11.16
JULIUS BAER GROUP
d Baerbond SF 886.00
d Conbar SF 1585.00
d D-Mark Baer Bond Fund DM 987.00
d Dollar Baer Bond Fund $ 1161.00
d Emerging Europe Fund DM 84.85
d Equibaer America $ 1794.80
d Equibaer Europe SF 1075.00
d Europe Bond Fund Ecu 106.48
d Liquibaer $ 1773.00
d SFR-BAER SF 1008.00
d Stockbar SF 1704.00
d Swissbar SF 1887.00
KIDDER, PEABODY & Co. Incorporated
b Chesapeake Fund Ltd. $ 1547.49
b Int'l Guaranteed Fund $ 1042.82
b Stonehenge Ltd. $ 1261.44
KLEINWORT BENSON SELECT FUND
d British Fund Ecu 1.71
d Emerging Asia Fund Ecu 1.40
d European Fund Ecu 1.56
d International Fund Ecu 1.42
d Japanese Fund Ecu 1.35
d Kansallis World Fund FM 9.23
d North American Fund Ecu 1.55
d Pacific Fund Ecu 1.31
LIPPO ASIA LIMITED
w Java Fund $ 7.79
LLOYDS BANK PLC, POB 438, Geneva 11
Ms Dawn Mac Neil, 41 (22) 3073333 ext.3294
w Lloyds Int'l Dollar + $ 108.00
w Lloyds Int'l Europe + SF 158.49
w Lloyds Int'l Growth + SF 169.80
w Lloyds Int'l Income + SF 245.60
w Lloyds Int'l N. America + $ 102.15
w Lloyds Int'l Pacific + SF 133.30
MAGNUM FUTURES FUND Ltd
m Deutschemark Class DM 19.92
m Sterling Class £ 5.27
m US Dollar Class $ 9.00
MALABAR CAP MGMT (Bermuda) Ltd
m Malabar Int'l Fund $ 9.15
MAN INTERNATIONAL FUTURES
m Alubal Mint Gtd. Fund Ltd $ 104.64
m Athena $ 10.19
m Fixme Mint Gtd Plc $ 120.60
m Mint Gtd Ltd - Aug 1995 $ 12.74
m Mint Gtd Ltd - Dec 1994 $ 15.59
m Mint Gtd Ltd - Jan 1994 $ 17.75
m Mint Gtd Ltd - Nov 1993 $ 21.90
m Mint Gtd Ltd - Series A $ 24.49
m Mint Gtd Ltd - Spec Issue $ 22.67
m Mint Limited - Income $ 15.19
m Mint Limited - Ordinary $ 45.85
m Mint Sp Res Ltd (BNP) $ 112.21
m Newcastle Guaranteed Ltd. $ 12.10
MERRILL LYNCH
d Dollar Assets Portfolio $ 1.00
d Iberia Portfolio $ 9.82
d Multi-Curr. Bond Ptfl Cl A $ 17.27
d US Federal Securities $ 9.87
d USA Income Portfolio $ 9.48
d World Nat Res Ptfl Sh A $ 10.44
d World Nat Res Ptfl Sh B $ 10.32
MERRILL LYNCH MLT NAT'L INV PFL
GLOBAL CURRENCY BOND SERIES
d Australian Dollar Ptfl
d Category A $ 13.01
d Canadian Dollar Ptfl
d Category A C$ 10.87
d Category B C$ 10.86
d Deutsche Mark Ptfl
d Category A DM 10.24
d Category B DM 10.23
d Pound Sterling Ptfl
d Category A £ 11.39
d Category B £ 11.36
d US Dollar Ptfl
d Category A $ 11.45
d Category B $ 11.43
d Yen Portfolio
d Category A Y 1040.00
d Category B Y 1037.00
MERRILL LYNCH MLT NAT'L INV PFL-EQ
BASIC VALUE PORTFOLIO
d Class A $ 9.22
d Class B $ 9.14
CONVERTIBLE SECURITIES PTFL.
d Class A $ 9.99
d Class B $ 9.94
CONVERTIBLE SERIES
d Euro Equity Ptfl Cl A $ 9.46
d Euro Equity Ptfl Cl B $ 9.42
GLOBAL EQUITY PORTFOLIO
d Class A $ 8.49
d Class B $ 8.49
MULTIMANAGER N.V.
d American Growth Fd $ 10.00
d European Curr. Bond Fd Ecu 10.00
d European Growth Fd Ecu 10.00
d Futures Fd $ 10.00
d Japanese Growth Fd Y 1000.00
NIMARBEN
w Class A $ 181.53
NMB BANK, PO 1800, 1000 BV Amsterdam
w NMB Dutch Fund Fl 35.60
w NMB Euromix Fund LF 2.187
d NMB Real Estate Fund Fl 38.48
w The Brazil Fund $ 0.93
NOMURA INTL. (HONG KONG) Ltd
d Nomura Jakarta Fund $ 8.16
NOMURA INVEST BANKING (M.E) E.C.
d Nomura Gulf Fund $ 8.27
OBLIFLEX LIMITED
w Convertibles $ 10.70
w Deutsche Mark DM 12.06
w Dollar Long Term $ 15.58
w Dollar Medium Term $ 18.37
w Dutch Florin Fl 12.21
w Dutch Florin Multi Fl 10.90
w European Currency Ecu 15.35
w French Franc FF 109.90
w HY Euro Curr Divid Pay Ecu 9.86
w HY Euro Currencies Ecu 10.82
w Japanese Yen Y 27.14
w Multicurrency $ 24.72
w Pound Sterling £ 17.70
w Swiss Franc SF 10.51
w Swiss Franc Divid Pay SF 10.12
w Swiss Multi-Dividend SF 8.53
w Swiss Multicurrency SF 11.93
w US Dollar Short Term $ 10.80
OLYMPIA Capital Intl. BVI
c/o OCM, 17 Av. George V, 75008 PARIS
Tel. 33-1-47230374
w Finsbury Group $ 112.63
w Olympia Securite $ 103.07
w Winch. Capital $ 181.56
w Winch. Frontier $ 191.28
m Winch. Fut. Divers $ 16.10 *
w Winch. Fut. Oly. Star $ 108.80
m Winch. Fut. Orion $ 17.71 *
w Winch. Hldg Int'l Madison Ecu 1044.17
w Winch. Hldg Int'l Ser D Ecu 1227.66
w Winch. Hldg Int'l Ser F Ecu 1223.01
w Winch. Hldg US$ $ 16.36
w Winch. Reser. Multi. Gvod $ 13.69
PARIBAS-GROUP
d Cortexa International $ 181.59
d Europhenix Ecu 143.76
d Luxor $ 8.53
d Moneyflow LF 10082.00
d Par US Treas. Bond Cl B $ 150.83
d Paribas-Rente A LF 1218.08
d Paribas-Rente B LF 1487.00
d Parinter Bond Fund $ 15.64
d Parinter Fund $ 208.20
w Parvest Obli-DM A DM 1223.41
w Parvest Obli-DM B DM 1365.39
w Parvest Obli-Dollar A $ 1197.24
w Parvest Obli-Dollar B $ 1403.51
w Parvest Obli-Franc A FF 1409.40
d Parvest Obli-Franc B FF 1489.40
w Parvest Obli-Gulden A Fl 1083.77
w Parvest Obli-Gulden B Fl 1150.91
d Parvest Obli-Sterling £ 113.26
w Parvest Obli-Yen A Y 111734.80
w Parvest Obli-Yen B Y 121932.00
PERMAL GROUP
b Drakkar Growth $ 1738.80
b EuroMir (Ecu) Ltd Ecu 812.50
b Media Ltd $ 718.57
b Nosoul Ltd $ 1589.53
b Upchyte Ltd $ 387.71
b Value N.V. $ 1738.17
PIERSON, HELDRING & PIERSON N.V.
Rokin 55, 1012kk. Amsterdam (20-5211188)
w Asia Pac. Growth Fd N.V. $ 27.48
w Asian Selection Fd N.V. Fl 39.16
w DP Amer. Growth Fd N.V. $ 26.12
w Eur. Growth Fund N.V. Fl 50.98
w Japan Diversified Fund $ 40.96
w Leveraged Cap Hold $ 351.96
w Tokyo Pac. Hold. N.V. $ 208.28
PRISM ASSET MANAGEMENT
(212) 332-1032 advisor to :
d Conqueror $ 91.94
d Prism Fut. Fd (EFF) $ 382.21
d PTJ $ 115.66
d Rainbow $ 121.70
PUTNAM
d Emerging Hlth Sc. Trust $ 28.48
w Putnam Em. Info. Sc. Trust $ 17.28
d Putnam Glob. High Growth $ 12.85
d Putnam High Inc. GNMA Fds $ 9.36
d Putnam Int'l Fund $ 11.54
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
d Robeco Fl 88.20
d Rodamco Fl 56.80
d Rolinco Fl 81.90
d Rorento Fl 61.40
ROTHSCHILD AST. MGT.
w Tokyo Pacific Hldgs (Sea) $ 151.98
ROYAL B. CANADA, POB 246, GUERNSEY
w RBC British Fund Ltd + £ 4.517
w RBC Canadian Fd Ltd + C$ 12.47
w RBC European Fund + £ 11.94 *
w RBC Far East & Pac. Fd + $ 36.43
w RBC Int'l Bond Fund Ltd + $ 14.87
w RBC Int'l Capital Fund + $ 49.31
d RBC Mngd Currency Fd + $ 41.91
w RBC North America Fd + $ 13.33
SAFRA REPUBLIC HOLDING
w Republic (Gnsey) $ Inc Fd $ 9.76
w Republic Gem Fund $ 100.89
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
w Equity Int'l Acc $ 12.99
w Equity Int'l Inc $ 11.21
w Equity Global $ 1.17
w Equity Far East $ 1.82
w Equity Gold $ 0.65
w Equity Japan Y 184.00
w Equity Nordic $ 1.34
w Equity U.K. £ 1.09
w Equity Continental Europe $ 1.29
w Equity Mediterranean $ 0.98
w Equity North America $ 1.24
w Bond Int'l Acc $ 9.60
w Bond Int'l Inc $ 6.87
w High Income Acc $ 1.35
w High Income Inc $ 1.04
w Bond Sweden SKr 11.54
w Bond DEM DM 0.95
w Bond Dollar $ 1.10
w Multicurrency $ 1.38
SOCIETE GENERALE GROUP
SOGELUX FUND (SF)
w SF Bonds A U.S.A. $ 12.83
w SF Bonds B Germany DM 22.57
w SF Bonds C France FF 93.62
w SF Bonds D Switz. SF 20.72
w SF Bonds E G.B. £ 9.17
w SF Bonds F Japan Y 1664.00
w SF Bonds G Europe Ecu 12.98
w SF Bonds H World Wide $ 13.59
w SF Bonds J Belgium BF 613.00
w SF Eq. K North America $ 12.63
w SF Eq. L W. Europe Ecu 11.22
w SF Eq. M Pacific Basin Y 1328.00
w SF Eq. N France FF 70.00
w SF Eq. P Growth Countries $ 11.52
w SF Eq. Q Gold Mines $ 9.21
w SF Eq. R World Wide $ 11.87
w SF Short Term S France FF 127.69
w SF Short Term T Eur. Ecu 12.51
SOGELUX INDEX FUND (SIF)
w S.I.F. France Capital FF 895.39
w S.I.F. France Distrib. FF 895.39
w S.I.F. GB Capital £ 98.44
w S.I.F. GB Distrib. £ 98.44
w S.I.F. Japan Capital Y 12878.00
w S.I.F. Japan Distrib. Y 12878.00
w S.I.F. US Capital $ 156.22
w S.I.F. US Distrib. $ 156.22
w S.I.F. World Capital $ 130.76
w S.I.F. World Distrib. $ 130.76
SODITIC ASSET MANAGEMENT INC.
w SAM Diversified Inc. $ 109.24
w SAM Strategy Inc. $ 96.22
SVENSKA HANDELSBANKEN S.A.
146 Bd de la Petrusse, L-2330 Luxembourg
w Neptune Maritime Fund $ 7.47
b SHB Bond Fund $ 48.35
w Svenska Sel. Fd Amer Sh. $ 11.72
w Svenska Sel. Fd Germany DM 8.14
d Svenska Sel. Fd Int'l Bd Sh. $ 11.69
w Svenska Sel. Fd Int'l Sh. $ 47.64
w Svenska Sel. Fd Japan Y 501.10
w Svenska Sel. Fd Nordic Sh. $ 9.93
w Svenska Sel. Fd Pacif Sh $ 4.20
d Svenska Sel. Fd S/T Ass Sh $ 10.96
SWISS BANK CORP. (Issue Prices)
d America Valor $ 381.27
d Anglo Valor £ 173.57
d Asia Portfolio SF 423.81
d Convert Bond Selection SF 84.19
d D-Mark Bond Selection DM 109.06
d Dollar Bond Selection $ 140.98
d Ecu Bond Selection Ecu 103.14
d Florin Bond Selection Fl 114.83
d France Valor FF 1478.09
d Germania Valor DM 478.44
d Gold Portfolio SF 245.03
d Iberia Valor Pta 42305.00
d Ital Valor Lit 349012.00
d Japan Portfolio Y 27436.00
d SBC £ MMF £ 2179.46
d SBC 100 Index Fund SF 926.00
d SBC DM Short A/B DM 1029.05
d SBC Ecu MMF Ecu 2867.55
d SBC Euro Stock Ecu 139.00
d SBC Str Bond A $ 1037.34
d SBC Str Bond B $ 1079.27
d SBC US$ MMF $ 6387.21
d SBC Yen MMF Y 522058.00
d Sterling Bond Selection £ 111.20
d Sw. Foreign Bond Selection SF 102.34
d Swissvalor SF 223.00
d Universal Bond Selection SF 69.25
d Universal Fund SF 91.26
d Yen Bond Selection Y 11218.00
T. ROWE PRICE ASSOCIATES INC.
m T. Rowe Price Frontier Ltd. $ 11.43
TEMPLETON W.WIDE INVESTMENTS
GROWTH PORTFOLIO
d Class A-1 $ 8.95
d Class A-2 $ 9.70
d Class A-3 $ 9.14
d Class B-1 $ 9.82
d Class B-2 $ 9.57
INCOME PORTFOLIO
d Class A $ 11.05
d Class B $ 11.81
TERMINVEST Tel : 46.70.92.87
m Dual Futures Fd Cl D Units $ 106.00
m Galaxy Futures Fund Ltd $ 113.81
THORNTON MANAGEMENT Ltd
d Eastern Crusader Fund $ 8.41
w Global Access Fund $ 9.68
d Pacif Invt Fd SA £ 7.98
d Pacif Invt Fd SA DM DM 22.31
d Pacif Invt Wrnt Fd SA £ 2.98
d Pacif Invt Wrnt Fd SA DM DM 8.71
d Thor. Lift Dragons Fd Ltd $ 18.92
d Thornton HK Gateway Fd $ 14.39
d Thornton Int'l Opp. Fd $ 7.82
d Thornton Japan Fund Ltd $ 25.41
d Thornton Orient Inc Fd Ltd $ 20.39
w Thornton Phil. Redev. Fd $ 19.16
d Thornton Tiger Fd Ltd $ 27.198
NEW TIGER SEL. FUND
d Indonesia $ 7.27
d Malaysia $ 8.41
d Thailand $ 8.35
TYNDALL GLOBAL FUND
13, rue Goethe L-1637 Luxembourg
Tel : 352-40 46.46.81
d Tiger p 107
d European p 101
d Wall Street p 114
d British Lion p 104
d International p 107
d Japan p 100
d High Yield p 110
TYNDALL INTERNATIONAL Bermuda Ltd
Tel: 809 292 2760
d American Spec. Sits $ 43.53
d Eurobond $ 32.21
d Mortgage C$ 14.57
d Overseas $ 24.47
d Tiger $ 36.96
TYNDALL INTERNATIONAL Jersey Ltd
Tel : 0534 37331
d Gilt £ 546.38
d Mngd Currency Dollar $ 1.045
d Mngd Currency Sterling £ 114.40
UEBERSEEBANK Zurich
d B-Fund SF 951.38
d E-Fund SF 485.98
d J-Fund SF 318.81
d M-Distribution SF 92.33
d M-Fund SF 971.29
d UBZ Euro-Income Fund SF 9.48
UNION BANK OF SWITZERLAND
d Amca American Shares SF 32.75 *
d Bond-Invest SF 54.75 *
d Brit-Invest Shares SF 652.00
d D-Mark-Invest Bonds DM 193.00
d Dollar-Invest Bonds $ 111.30
d ESPAC Spanish Shares SF 164.50
d Eurit SF 283.00
d Fonsa Swiss Shares SF 177.00
d Francit Shares SF 176.50
d Germac Shares SF 201.00
d Globinvest Shares SF 88.50
d Gold Invest Shares SF 158.50
d Holland-Invest Shares SF 204.00
d Itac Shares SF 157.50
d Japan-Invest Shares SF 1067.80 *
d Sima (stock price) SF 226.50
d Skandinavien-Invest SF 199.50
d UBS Money Mkt Invest $ 1019.65
d Yen-Invest Bonds Y 80259.80
UNION INVESTMENT Frankfurt
d Unifonds DM 30.40
d Unirak DM 71.10
d Unirenta DM 34.60
d Unizins DM 104.15
UNIVERSAL GROUP OF FUNDS
d Univers Sav Amer C$ 8.51
d Univers Sav Equity C$ 9.55
d Univers Sav Global C$ 5.03
d Univers Sav Nat. Res. C$ 4.16
d Univers Sav Pacific C$ 8.11
US FEDERAL SECURITIES FUND
d Category A $

Other Funds
r Actielraissance $ 511.27
d Actifinance Int'l $ 1670.76
w Actifutures Ltd $ 1292.43
w Actigestion FF 1298.38
w Activest Int'l $ 23.70
d Amvobel Fl 62.20
w Aquila International Fund $ 234.69
b Ariane $ 4967.83
d Asia Oceania Fund $ 8.52
m Associated Investors Inc. $ 722.00
m Atlantic Fund $ 67.31
d Atlas Fund SF 59.71
r Australia Fund $ 15.94
w Balfour Maclaine Series 1 $ 982.5500
w BDD Inv Fund-Ecu Bd Ecu 5438.22
w BEM International $ 5.12
w Bergen Int'l Fund $ 11.30
w Bondselex-Issue Pr. SF 183.95
m Cal Futures 1998 Fd Ltd $ 27.82
d CB German Index Fund DM 109.05
w CFE Futura Fd N.V. $ 93.37
m Cleveland Offshore Fd $ 19.97
w CMI Investment Fund $ 1395.80
w Columbia Securities Fl 93.32
w Convert. Fd. Int'l A Certs $ 16.37
w Convert. Fd. Int'l B Certs $ 55.09
w Cumber Int'l N.V. $ 181.73
d D. Witter Wld Wide Ivt Tst $ 24.52
w D.G.C. $ 200.59
w Daiwa Japan Fund Y 6597.00
w Disa Income Fund FR 37.35
d Dreyfus America Fund $ 17.49
w Dumelux Amerique $ 1025.84
w Dumelux Asie Pacifique $ 1025.84
w Dumelux Bonds Plus $ 1171.24
w Dumelux Europe Ecu 1037.49
w Dumelux France FF 6224.17
w Dumelux Opportunit $ 1025.84
m Dumenil Arbitrage Fd NV $ 638.08
d Ecu Pic Onesa Fund Ecu 1.56
w Eps Overseas Fund Ltd $ 872.00
d Emi Belg. Ind. Plus (A) BF 7338.00
d Emi Belg. Ind. Plus (B) BF 7338.00
d Emi France Ind. Plus (A) FF 748.21
d Emi France Ind. Plus (B) FF 748.21
d Emi Germ. Ind. Plus (A) DM 78.36
d Emi Germ. Ind. Plus (B) DM 78.36
d Emi UK Index Plus (A) £ 86.49
d Emi UK Index Plus (B) £ 86.49
w Espir. Sto Inv M Sth Eur Fd $ 9.77
w Esprit Sicav Ecu 1044.13
d Eurosud FF 926.87
d Europe 1992 $ 9.85
d Europe Obligations Ecu 77.51
w F.I.T. Fund FF FF 117.89
w F.M.P. Portfolio $ 0.5043
w Fairfield Int'l Ltd $ 148.55
w Fairfield Sentry Ltd $ 207.90
w Fairfield Strat. Ltd $ 59.45
m Fatum Fund $ 786.59
w First Eagle Fund $ 34028.56
m First Frontier Funds $ 87.26
w FL Trust Switzerland SF 82.84
d Fondital $ 78.09
w Fonselex Issue Pr. SF 142.45
d Force Cash DM Sicav DM 5170.24
d Force Cash Ecu Sicav Ecu 2622.49
d Force Cash FF Sicav FF 15651.88
d Force Cash US$ Sicav $ 3088.72
d Forexfund Limited $ 9.66
w Formula Selection Fd SF 60.47
d Frankl-Trust Effekten Fd DM 141.13
d Frankl-Trust Interzins DM 38.72
m Gems Progressive Fd Ltd $ 1115.25
w George V Inv. Bond F. $ 24.11
m German Sel. Associates DM 1589.81
d Green Line France FF 577.30
w Hasenbichler Com AG $ 1347.00
w Hausmann Hldgs. N.V. $ 315.95
d Hestech T.F. SF 10616.00
w Hestia Funds $ 136.74
w Horizon Fund $ 2022.62
w Ibex Holdings Ltd SF 156.04
w IFDC Japan Fund Y 25626.00
r ILA-IGB $ 1.55
r ILA-IGS $ 9.94
m IncAmerica N.V. $ 16.61
m IncAsia N.V. $ 9.46
r Int'l Securities Fund $ 29.18
m Interface Fund Ltd $ 150.78
d Interfund SA $ 44.29
w Intermarket Fund $ 466.14
w Intersec SA $ 3536.56
d Investa DWS DM 63.66
d Investmentor Fund $ 103.90
m J Capel Guaranteed Fund $ 10.00
w Japan Pacific Fund $ 187.40
w Japan Res. Growth F. Y 827552.00
m Japan Selection Asses Y 9530.00
w Japan Selection Fund $ 226.32
d JJ Placement FF 12451.86
w JWH Worldwide Fund $ 8.14
d Kenmar Guaranteed $ 9.82
w Kenmar Int'l - B $ 11369.00
d Kenmar L/C $ 9.17
m Key Hedge Fund Inc $ 106.43
w Kleinwort Bens. Jap. Fd $ 179.94
d KML-II H. Yield $ 494.86
w Korea Growth Trust $ 30.83 *
w LACO International $ 5.51
w Leumi Vol. Francaises FF 905.40
m London Portfolio G'td. I $ 87.38
m London Portfolio G'td. II $ 8.63
w Luxfund $ 110.54
m Lynx Sel. Holdings SF 118.74
m Maritime Fund Int'l Ltd $ 1019.45
w Mat Growth ESCF DM DM 17.59
w Mat Growth USCF $ $ 9.35
w MBE Japan Fund LF 1847.00
m MCM Int. Limited $ 147.01
d Mediolanum Sel. Fd $ 35.97
w ML Morgens Lv HY Inv NV $ 9.01
w Moore Global Invts. Ltd $ 1983.28
d NCA Fund $ 10.33
w Nippon Fund $ 109.00
d NM Inc. & Growth Fund $ 17.15
m NMT Asian Sel. Portfolio $ 173.58
w NMT Citadel Bond SF 112.84
m NMT Nastec Portfolio $ 118.82
d Nomura-Cap Int'l Eq Fd $ 13.99
d Nordmix Lit 18834.00
m Nova Plus Fund I Ltd $ 1050.00
w Noveurope Ecu 2463.60
m NSP F.I.T. Ltd $ 10.07
m Oppenheimer U.S. Arb. $ 126.56
w Optimum Fund $ 1213.81
m Overlook Performance $ 1443.85
d Pacific Nies Fund $ 6.41
d PAM Futures Trad. $ 419.85
w Pancurri Inc. $ 169.79
m Paragon Fund Limited $ 10.27
w Plurivest International FF 113.24
d Precision Fd Ltd $ 80.47
w Prosp. I.H. Inc. P.F. $ 3.28
w Puget-Mahe Barclays Poc. $ 163.88
w Quantum Fund N.V. $ 17240.94
d SAGA Amerique FF 702.07
d SAGA Court Terme FF 1209.04
d SAGA France Sicav FF 423.14
d SAGA Long T. Capital FF 1112.76
d SAGA Opportunites FF 465.89
d SAGA Pacifique FF 1061.50
d SAGA Premiere FF 1192.46
w Samurai Portfolio SF 231.00
d Sanyo Kle. Spain Fd $ 10.19
d Sarakreek Holding n.v. $ 17.30
d Saturn Fund $ 1179.14
d SCI / Tech. SA Luxembourg $ 17.77
m Scimitar Guar. Curr Fd $ 8.46
m Scimitar Guaranteed $ 8.30
m Securefund 2000 Ltd $ 5.00
m SLH Guar. F.F.I. $ 1059.19
w SP International SA $ 6257.62
d Strat. Int'l Gold Fund SA $ 4.96
w Sussex McGarr $ 2201.00
w Techno Growth Fund SF 46.59
d Templeton Glob Inc. $ 9.94
d The Petrus Fund Ltd $ 1.03
m TIIC (OTC) Jap. Fd Sicav $ 11.77
w Transpacific Fund Y 24693.00
d Triton Offshore Class A $ 635.22
d Triton Offshore Class B $ 597.39
d Tudor B.V.I. Futures LTD $ 8021.49
d Turquoise Fund $ 219.45
m Tweedy Browne (UK) n.v. $ 1726.80
w Tweedy Browne n.v. Cl A $ 2288.40
w Tweedy Browne n.v. Cl B $ 1540.10
d Uni Bond Fund Ecu 1636.07
r Uni Capital Fund Ecu 1155.29
d Unico Equity Fund DM 64.37
d Unico Inv. Fund DM 67.59
m Unifrad SUS $ 1082.16
m Unifrad FF FF 11159.44
m Unifrad SF SF 1098.61
d Univers Bonds DM 137.08
w Vanderbilt Assets $ 14.83
m Victor Futures Fund $ 225.85
d Victoria Holdings Limited $ 100.00
w Willer Asian Fund $ 10.19
w Willerbond Capital $ 14.48
d World Balanced Fund S.A. $ 12.20
w Worldwide Securities $ 35.52
w Worldwide Special $ 784.83
m Zwelo Int'l Ltd s/s $ 10173.00

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For information on how to have your fund listed, fax Simon OSBORN on (33-1) 46 37 52 12.

SPORTS

Georgetown's Mutombo: From Raw to Rare

By Mark Maske
Washington Post Service

WASHINGTON — Finally, Dikembe Mutombo speaks the language. Not French or English, or even Portugese. Spanish or any of the five African tribal dialects he knows — all of those came relatively easily. The language of basketball, that was a struggle.

Now, however, after four years under the tutelage of Georgetown's coach, John Thompson, Mutombo can talk the game almost as well as he plays it. And not just the basic jargon, like "pick-and-roll" or "defensive rotation." He recites blocked-shot records from memory, for he's certain they all will be his soon. And, most important, the words "lottery pick" roll gracefully off his tongue, almost as if he had been practicing them from the first time he picked up a basketball seven years ago.

The refrain is familiar by now: After virtually every game, the Hoyas' senior center from Zaire will tell whomever happens to ask that he must concentrate on his rebounding and defense, for that is what will make him a lottery pick in the National Basketball Association draft. And Mutombo is not alone in that assessment.

"Dikembe is going to be a great pro," Thompson said recently, and most NBA scouts and general managers seem to agree. "I like to sit back and listen to how people say how great some of these kids are now, because in a few years Dikembe's going to surpass them all."

This is heady stuff for a one-time soccer goaltender who took up basketball only because his brother and father forced him to do so, a formerly gangly youngster who fell flat on his face, gashing open his chin, during his first practice session and detested the game for his first month of playing it.

"If you had asked me then, I never would have thought he would be any good at basketball," said Mutombo's older brother Ilo, who plays for Division II Southern Indiana. "I would have had a good laugh. Now I am so proud of him I can't even express it."

Indeed, it is a curious tale, and it has produced the most unforeseeable of reactions. Wilt Chamberlain once observed that "nobody roots for Goliath," yet no one seems to pull too vehemently against Dikembe Mutombo. He's as endearing as he is awe-inspiring, more likely to react with a pained look to a low-post elbow planted in his chest than with any sort of retaliation.

"He's impossible not to like," said Alonzo Mourning, Mutombo's heralded teammate who may be the best testament to Mutombo's potential greatness: How many players can force someone the caliber of Mourning to switch positions?

The Mutombo story began in Kinshasa, the capital of Zaire and a sprawling city of 2.5 million people. Dikembe Mutombo is a shortened version of his name, adopted to accommodate Americans (and the back of his jersey); actually, he is Dikembe Mutombo Mpolondo Mukamba Jean Jacque Wamutombo. He is properly addressed as Mutombo, which is what relatives call him. For his American friends, it's now simply Deke.

His family was middle class, with his parents and his eight siblings (six brothers and two sisters) sharing a large, six-bedroom house in downtown Kinshasa. His father, now retired, was an educator, working first as a principal and later in Zaire's equivalent of the education department. His children were given no choice but to do well in school. "Of course we got good grades," Ilo said. "Our father was a principal."

Dikembe, however, was particularly studious. As far back as he now can remember, he dreamed of being a doctor. "I wanted it very badly," he said, and it was an ambition he maintained until he arrived at Georgetown and was told he wouldn't have time for basketball and medical school.

"I was very disappointed," he said. "Maybe I can still be a doctor one day, after basketball."

He switched high schools, laying the groundwork for his medical career by going to the Institute Boboto, where the science and math classes were more challenging. At about the same time, Ilo and his father decided that Dikembe, 16, had to take up basketball.

The entire family was tall, but it was clear Dikembe was going to be the tallest. He's now listed at 7 feet 2 inches (2.2 meters), and he has admitted to being a touch taller. And his soccer skills and a previous interest in the martial arts have demonstrated his coordination.

Ilo had begun playing basketball at a local playground, where the participants were nicknamed "Dr. J" and "Kareem" after their favorite overseas stars. Among the court's regulars, only Ilo did not have a famous monicker. "I was just Ilo," he said. Yet he looked at his quickly growing brother, and he saw the next Akeem Olajuwon, the native of Nigeria who was by then adorning magazine covers in Zaire.

So Ilo took Dikembe to the nearby court and, during a jumping drill, the younger Mutombo promptly tumbled forward and was left bleeding badly from his chin.

If it had been up to Mutombo, he probably never would have been back on a basketball court for a second time. But Ilo would not let him abandon the game, and Dikembe and Ilo became constant off-court companions after they started playing together on club teams.

Their goal initially was not to play basketball in the United States. Ilo wanted them to play for a professional team in Europe. The situation changed rapidly, though, as the long recruiting arm of American colleges reached all the way to Zaire. Dikembe and Ilo left for the United States in 1987.

They knew then that they probably would not return home for the next four years, and they haven't. They telephone home as often as possible, with Dikembe usually talking to their father and Ilo to their mother. They also call each other, but they hadn't seen each other until the Hoyas played the Screaming Eagles here in December.

The isolation was particularly tormenting when their older brother Kanyinda, a successful architect, died of a brain tumor during the Mutombos' first year away from home. Yet Dikembe and Ilo persevered, never thinking to turn back; their father wouldn't have allowed it.

"We could not come home, with the opportunity for education we had," Ilo said. Now there are plans for their father to attend their graduation ceremonies this spring, although Ilo says it's not yet a certainty.

Since Dikembe did not take the Scholastic Aptitude Test, which is not offered in French, he was not eligible to play during his first year at Georgetown. He spent that first year letting go of his medical school plans and working on his English.

The Mutombo nightmare for rival Big East coaches started as just an ugly rumor. During his first year at the school, he played in an intramural league, and several publications listed him as a 5-10 point guard. The summer before his first season of competition, he averaged 23 points, 11 rebounds and 7 blocked shots per game as the rawest of forces in a Washington summer league.

He was a novelty most of his first two seasons, playing in short bursts and making 71 percent of his field goal shots because few of his shots were taken far from the rim. But a dinner-table suggestion from Red Auerbach prompted Thompson to begin playing Mourning and Mutombo together regularly last season, and the twin towers concept has been alive for the Hoyas ever since.

Yet despite his late-season push as a junior, Mutombo entered this season averaging 7.2 points and 6.8 rebounds a game in 18.3 minutes. Two straight summers of working out with Patrick Ewing, in between serving as a Capitol Hill intern two summers ago, then as a computer and translations specialist at the World Bank last year, had improved his skills, but no one was about to mistake him for Olajuwon yet.

The upward curve of Mutombo's development has steepened this year, as much because Mourning's injury has forced him to improve offensively as anything else. His low-post attacks still are fairly rudimentary, but the advances are clear. His hook shots with either hand remain crude replicas of those of Kareem Abdul-Jabbar in the tapes Thompson has given Mutombo, but they seem to grow ever softer. His passing is immensely better than a year ago, and Thompson's urgings that he learn to go around defenders as well as over them are garnering some results.

He's averaging 16.4 points, 12.3 rebounds and 5.7 blocks, and he remains as disruptive a force as ever defensively. He has blocked shots with his hands, his elbow, even his armpit; he blocks many without even jumping.

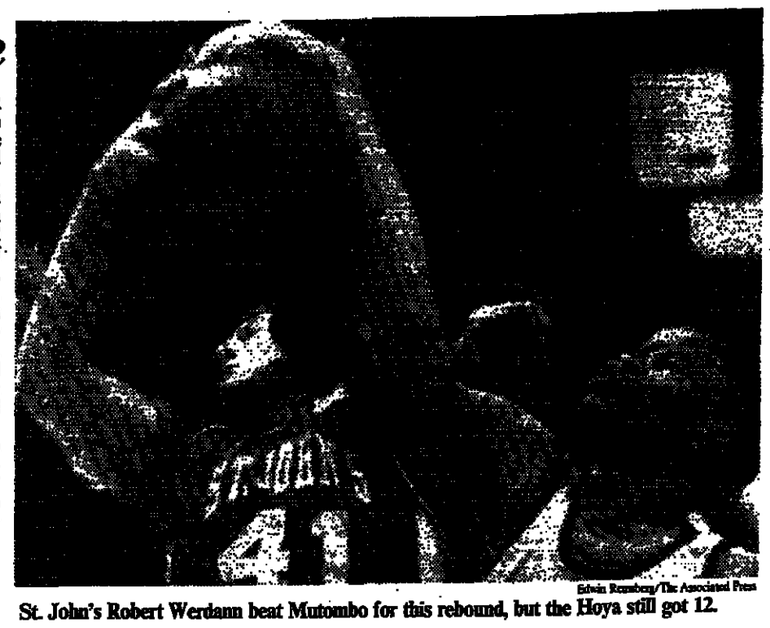
"He's already eliminated the layup; now I think he's trying for the jump shot," said St. John's coach, Lou Carnesecca, against whose team Mutombo blocked a Big East-record 12 shots two years ago.

Mutombo is virtually assured of being one of the top seven selections in next summer's draft, even if underclassmen like Shaquille O'Neal, Billy Owens, Kenny Anderson and Mourning go to the NBA early and make this year's talent pool among the best in recent memory. "He's a lottery pick, no doubt," said Jerry West, the general manager of the Los Angeles Lakers.

"There just aren't many big men around who can run and move like he can. The possibilities with him are just so endless. He's a guy that has the potential to dominate the pro game even if his offensive skills are just passable."

The greatest of ironies is that, if Mourning does opt to skip his senior season, Mutombo, once the rawest of projects, might be picked ahead of his ever-so-polished teammate.

"When I came to the United States, I didn't think for one moment about the NBA," Mutombo said. "Now it's my goal. It's easy to talk about it being my dream because I'm 7-3. But I don't want to become just another player who goes to the NBA as a project. I want to go there and play."



Edwin Remsberg/The Associated Press

St. John's Robert Werdann beat Mutombo for this rebound, but the Hoya still got 12.

In New York, It's Just One Giant Mix-Up

New York Times Service

NEW YORK — New York City and the Giants closed the record books on how the city happened to plan a City Hall victory celebration that the Super Bowl winners said they had never agreed to and that ended up not happening.

But they did so Wednesday with the amicable asterisk of an agreement to disagree.

Mayor David N. Dinkins, stung by suggestions that his administration had jumped the gun in building a platform for the party that it planned for Wednesday, released a chronology of five days of telephone calls between his staff and the Giants.

It indicated that a staff person in the team's special events office had confirmed on Jan. 25 the idea for a celebration. "At least it doesn't look like anybody from our side messed it up," he said.

Wellington Mara, the team's president, who said he did not know anything of the planned party until he read about it in newspapers, called the mayor to express regret over the contretemps and repeat that it was his decision to forgo celebrating because of the war.

But Mara said his staff maintained that no one had ever given the city a commitment on the party.

"If anyone thought anyone had made a firm commitment, it was an inadvertent misunderstanding," Mara said.

■ Walsh Won't Be Coaching

Bill Walsh will stay at NBC, The Associated Press reported from Tampa, Florida, but Buddy Ryan and Bill Belichick remain in contention for the coaching job with the Buccaneers, the team's owner, Hugh Culverhouse, said.

Walsh, 59, retired after the 1988 season and signed a two-year contract with NBC after leading the San Francisco 49ers to three Super Bowl championships. That contract expired in January.

Walsh reportedly turned down an offer of $2 million a year to be coach and general manager of the Bucs, and instead recommended Los Angeles Raiders assistant Mike White for the position, according to several news reports.

Culverhouse is expected to talk about the opening with former Philadelphia Eagles coach Buddy Ryan and Belichick, the Giants' defensive coordinator.

Hoyas Go to Work From Inside and Outside to Send 5th-Ranked St. John's Reeling

By William C. Rhoden
New York Times Service

LANDOVER, Maryland — Lou Carnesecca came into St. John's game against Georgetown needing one victory to become the 30th coach to reach the 500 mark in Division I of the National Collegiate Athletic Association.

But the St. John's coach knew there were two potentially insurmountable obstacles standing in his way: Dikembe Mutombo, the 7-foot 2-inch Georgetown center, and Alonzo Mourning, the 6-10 forward.

"We figured that they would get their points inside," said Malik Sealy of St. John's. "What we didn't want to do was get hurt on the perimeter."

As it turned out, St. John's suffered the worst of both worlds: Mutombo and Mourning scored on the inside while Joey Brown and Charles Harrison hit from the perimeter as 18th-ranked Georgetown upset the No. 5 Redmen, 59-53, in a Big East Conference game Wednesday night.

Mutombo blocked 5 shots, made 7 of 9 of his own and finished with 17 points and 12 rebounds for Georgetown (13-5, 5-3 Big East). Mourning, who is recovering from a strained arch in his right foot, added 9 points and 7 rebounds.

But what did in St. John's (15-3, 6-3) Wednesday night, aside from its wretched shooting, was its inability to contain the Hoyas' freshman guards.

Harrison made 6 of 14 shots, including 3 of 4 from 3-point range, and finished with a game-high 18 points. Brown finished with 11 points and 4 assists.

In other games, The Associated Press reported:

Southern Cal 76, No. 12 UCLA 74: Harold Miner scored eight of Southern Cal's final 12 points as the Trojans scored the upset in Los Angeles.

It was the first time Southern Cal won consecutive home games against UCLA since the 1984-85 and 1985-86 seasons.

With the Bruins leading, 69-64, Miner made two free-throws with 4:40 left. Robert Pack made a layup with 4:02 left to cut the deficit to a point and Miner gave USC a 71-69 lead with a three-point shot with 3:24 left.

No. 7 Duke 77, No. 23 Georgia Tech 75: In Atlanta, Thomas Hill scored the winning basket with one second remaining, but according to Duke's coach, Mike Krzyzewski, that wasn't the biggest play of the game.

The biggest play came with 27 seconds remaining when Hill, who had 20 points, scored to tie the score at 75-75, but then missed a free throw that could have given the Blue Devils (17-4, 6-2 Atlantic Coast Conference) the lead.

Duke's Greg Koubek hit the floor and shoved the loose ball rebound to teammate Bobby Hurley, allowing Duke to retain possession and go for the final shot.

"I don't remember too much about games after we've played them," said Krzyzewski, "but I'll always remember Greg getting that loose ball."

COLLEGE BASKETBALL

BOOKS

MAKING SAINTS: How the Catholic Church Determines Who Becomes a Saint, Who Doesn't, and Why

By Kenneth L. Woodward. 461 pages. $24.95. Simon & Schuster, 1230 Avenue of the Americas, New York, N. Y. 10020.

Reviewed by
Colman McCarthy

ONE of the worldly blessings of the Second Vatican Council — the 1962-65 gathering of Catholicism's hierarchy in Rome — was that journalists began covering the Vatican as if it were city hall. A pope wasn't that different from a mayor: Party regulars elected him, patronage was dispensed, obey-or-else authority was wielded, rivalries among underlings flourished and secrecy was next to godliness.

It was during Vatican II that Kenneth Woodward came to Newsweek as its religion editor. Since then, his reporting — fair, thorough and forcefully written — has earned him a following among people who want religion to be treated as a major beat, and let the impieties fall where they may. Woodward's professional graces, and a few of his personal ones, are on large display in this investigation of the politics, economics and deal-making in the production of saints.

Woodward looks at the process of who makes saints, how and why. Much of the action — and inaction — occurs in the sanctum of the Vatican's Congregation for the Causes of Saints, the 401-year-old office that is run by a conservative cardinal who entered the seminary at age 11. Saint-making takes place elsewhere, too — in the home towns of the holy and pious that benefit economically when a local hero is canonized or in the religious orders that can always use a morale boost when a founder or member is declared a saint.

Whether in Rome or home, Woodward reports that the making of saints "is an inherently ecclesial process. . . . To 'canonize' means to declare that a person is worthy of a universal public cult. Canonization takes place through a solemn papal declaration that a person is, for certain, with God. Because of that certainty, the faithful can, with confidence, pray to the saint to intercede with God on their behalf."

On the heavenly scoreboard, Woodward notes that male saints outnumber females two to one. In the past 10 centuries, only 76 lay people have been canonized, against 303 priests, nuns and brothers. On the question of why no happily married saints have been marching in, Woodward has a plausible theory: "The history of Roman Catholicism exhibits a profound ambivalence toward human sexuality. Throughout that history, the church has placed a higher value on virginity than on marriage, even though marriage has the status of a sacrament while virginity does not."

A requirement for canonization is miracle-working. A saint must be shown to have powers that prove he can bring about, say, inexplicable medical cures. Of late, the Vatican has been toying with the idea of allowing "moral miracles" — a saint's power to bring about rare spiritual transformation. An example of this amazing grace is in the thousands of testimonials claiming that Matt Talbot, a Dublin dockworker who overcame alcoholism and became an ascetic until his death in 1925, has interceded with God to help drunks get on the wagon and stay on.

Familiar with both Rome and the lives of such Christian rarities as Dorothy Day, Thomas Merton, Oscar Romero, John Henry Newman and others, Woodward argues reasonably that the Vatican's saint-makers are a decidedly unimaginative and untrusting lot. He is gentle with them, realizing the difficulties they have understanding the holiness of a Day or a Merton: "The safer, the more conventional a Catholic thinker is, the more likely is he or she to be canonized."

A fair conclusion is that the system of saint-making smells, and it isn't the odor of sanctity we're getting. A dose of secular honesty, such as Woodward provides, may clear the air.

Colman McCarthy is a syndicated columnist with The Washington Post Writers Group.

BRIDGE

By Alan Truscott

COVER the East-West hands shown in the diagram and plan the play in six no-trump after a club lead.

Partner errs on defense, letting a beatable contract make. You quickly point out what he should have done. A probable result is partner will:

(a) Be eternally grateful.

(b) Be inspired by your words and play double-dummy for the rest of the session.

(c) Pick up the duplicate board and bonk you in the nose.

(d) Dwell on his error and have difficulty concentrating on the remaining boards.

Most players can answer the question in theory, although many forget it in the heat of battle. The dummy-play problem is harder, and a majority would fail by playing too quickly to the first trick.

South must establish diamonds, and needs a favorable position in that suit. The solution is to win in the closed hand, cross to a spade honor and lead a diamond. East will duck, South will win, and can re-enter the dummy in spades to lead a second diamond. The diamonds can be cleared while a club entry remains in the dummy.

If South carelessly wins the first trick in the dummy to play a diamond, East will again duck. South will win and cross to a spade to play a second diamond. But that allows the defense to prevail: East will rise with the ace and play a spade, removing dummy's last entry before the diamonds have been unblocked.

NORTH
♠ A Q
♡ J 7 3
◇ 10 7 5 4 2
♣ Q J 9

WEST
♠ J 7 3
♡ Q 9 6 4
◇ 9 3
♣ 8 7 5 2

EAST
♠ 10 9 8 5
♡ 10 8 2
◇ A J 8
♣ 10 6 3

SOUTH (D)
♠ K 6 4 2
♡ A K 5
◇ K Q 6
♣ A K 4

Both sides are vulnerable. The bidding:

South	West	North	East
2 N.T.	Pass	6 N.T.	Pass
Pass	Pass		

West leads the club eight.

PEANUTS

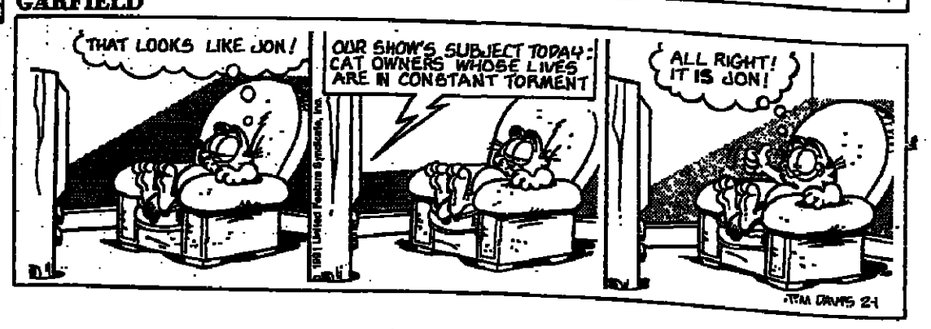
BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD



DOONESBURY

DENNIS THE MENACE

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

LABAN
BELAC
CUDINT
BALGER

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ( ) ( ) ( ) ( ) ( )
(Answers tomorrow)

Yesterday's Jumbles: BRAWL YIELD WALNUT ADROIT
Answer: What that deadbeat was always trying to borrow—HIS WAY OUT OF DEBT

BLONDIE

هكذا من الأصل

هكذا من الأصل

SPORTS

Navratilova Back, but Seles Hurt

Compiled by Our Staff From Dispatches

TOKYO — There was a return of consequence and a departure of note on Thursday at the Pan Pacific tennis tournament.

Martina Navratilova shrugged off the longest break in her career to reach the tournament quarterfinals and second seed Monica Seles withdrew because of a shoulder injury.

Navratilova, who had a bye into the second round, struggled to defeat Britain's Jo Durie, 6-3 4-6 6-2, in 92 minutes. Navratilova underwent knee surgery three months ago and has been out as a result.

"I was pretty nervous when I got down in the second set," said the 34-year-old Navratilova, ranked No. 3 in the world. "But I expected to get a better match and my memories came back.

"The first match is always difficult."

With 152 career singles titles, Navratilova needs five more to match record holder Chris Evert's 157.

Navratilova broke Durie's service in the first game but dropped her serve after encountering volleying problems. Her net play gave her a break in the fifth game, and she broke again in the ninth.

Durie scored the only break of the second set, in the fifth game, but Navratilova bounced back in the third, breaking in the second and eighth games.

Durie doublefaulted twice in the final game and netted a backhand at match point.

Seles was forced to pull out of the indoor event earlier in the day. Tournament officials quoted a Japanese doctor who examined the 17-year-old Yugoslav as saying she needed a two-week break because of overworking the shoulder.

Seles, who became the youngest Australian Open women's champion last week, had tears in her eyes as she spoke to reporters.

"I felt pain in my left shoulder when I started to practice this morning," she said. "Nothing was wrong yesterday." *(Reuters, AP)*

AFP

Seles: Tearful departure.

Dieter Endlicher/The Associated Press

Chantal Bournissen of Switzerland, spraying snow in the slalom portion of the combined. She was fifth in the slalom and third downhill.

Ginther's Tumble Helps Bournissen in Combined

Compiled by Our Staff From Dispatches

SAALBACH-HINTERGLEMM, Austria — Chantal Bournissen revived memories of Swiss dominance in women's skiing by winning the World Championships combined event Thursday to end a dry spell for her nation.

Bournissen profited from a tumble taken by her main rival, Sabine Ginther of Austria, who slid on the course and crashed out. Ginther, with the best combined downhill and the second-fastest time on Thursday's first slalom run, fell in the second slalom heat.

The victory was even sweeter for Bournissen because she edged another Austrian, Ingrid Stoeckl. Austria has surged to the forefront in Alpine skiing during the last two years.

Switzerland's Vreni Schneider, who won the slalom by a massive margin of 2.37 seconds, won the bronze medal.

Pre-race favorite Petra Kronberger of Austria skipped the combined slalom because of a knee injury suffered in Tuesday's super-giant slalom. Kronberger was second fastest in the downhill portion and is a top slalomer.

Thursday night, it was announced that Kronberger, who tore a ligament in her right knee when she fell, has pulled out of the rest of the championships. She had hoped to race in a slalom on Friday and a giant slalom on Saturday.

Bournissen had the third-best time in the downhill portion of the combined event last Friday and was fifth fastest in Thursday's two-run slalom. She totaled 26.45 points to earn the victory.

"I have never skied such a good slalom before," said Bournissen, who just missed a pair of medals earlier in the championships by placing fourth in the downhill and fifth in the super-giant slalom.

"I didn't ski like it was a normal slalom. In the combined you have to go all out, you can't be conservative," she said. "If you drop out, you drop out. That's the chance you have to take."

The Swiss women, whose victories are serenaded by fans' cowbells, were a powerhouse in the 1980s. They won all five world titles on home slopes in 1987, a pair of gold medals at the 1988 Calgary Olympics and two more world titles in 1989 in Colorado.

But top skiers such as Maria Walliser and Michaela Figini retired after the 1989 championships and the last two World Cup seasons have been dominated by Kronberger.

The embarrassment continued at this year's championships as Austrian women won the first two events and the Swiss were shut out of the medals.

Bournissen, 23, broke that streak in an event the Austrians expected to capture.

The combined results are based on a complex system in which points are awarded based on the downhill and slalom portions, with relative times and the length of the course factored in. *(AP, Reuters, AFP)*

World Championships

The top 10 in the slalom:

1. Vreni Schneider, Switzerland, 1 minute, 22.14 seconds; 2. Annelise Coberger, New Zealand, 1:25.51; 3. Ingrid Stoeckl, Austria, 1:25.91; 4. Gaby May, Switzerland, 1:26.87; 5. Chantal Bournissen, Switzerland, 1:26.88; 6. Christelle Guignard, France, 1:26.54; 7. Claire de Pourtales, Britain, 1:27.42; 8. Heidi Zurbriggen, Switzerland, 1:28.15; 9. Miriam Vogt, Germany, 1:28.16; 10. Veronika Tarasovicova, Czechoslovakia, 1:28.59.

The top 10 in the combined:

1. Chantal Bournissen, Switzerland, 26.45 points; 2. Ingrid Stoeckl, Austria, 33.76; 3. Vreni Schneider, Switzerland, 42.13; 4. Miriam Vogt, Germany, 44.81; 5. Katja Seizinger, Germany, 46.94; 6. Heidi Zurbriggen, Switzerland, 53.64; 7. Michelle McKendry, Canada, 64.94; 8. Emi Kawabata, Japan, 70.77; 9. Gaby May, Switzerland, 72.48; 10. Regine Cavagnoud, France, 73.97.

1992 America's Cup: Economic Reality Fails to Trim the World's Sails

By Angus Phillips
Washington Post Service

SAN DIEGO — The America's Cup has sailed through hard times before. The glory years were the 1930s, after all, when titans named Sopwith, Lipton and Vanderbilt lavished fortunes on towering J-boats while a world struggled to eat.

Now come the 1990s, blighted early by recession, repression and war, and the America's Cup is back, bigger than ever with a record number of nations challenging.

The first of the new 75-foot (22.86-meter) America's Cup Class boats are here or on the way from Italy, France, Japan and New Zealand to begin training. In less than a year, up to a dozen challengers from 10 nations will begin the five-month quest for yachting's crown jewel on the Pacific off Point Loma, California.

If the Cup has lost any of its regal shine, it isn't showing. Among key figures for the '92 regatta are two kings and a knight; one of the wealthiest men in Europe and one of the wealthiest in the United States; the mayor of Paris; two bare-knuckle Australians; the first Japanese, Soviet, Spanish and Yugoslav Cup sailors and the big man himself, Dennis Conner, whose red-eyed, fearsome visage redefined yacht racing in the 1980s.

After the last battle between Conner and New Zealand arch rival Michael Fay, catamarans and megaboats and the mismatches they spawn have been banned by general accord. Fay, who raced Conner in the last America's Cup in a huge, 132-foot boat and sent the race into court, has been knighted by Queen Elizabeth for service to "banking and yachting," a practical combination. The honor should put him in good company in '92.

When he isn't bedeviling Conner with tricks and tirades over the next 17 months, Sir Michael can hobnob with such blue-blood luminaries as King Juan Carlos I of Spain, a keen yachtsman who actively supports the first Spanish challenge, and King Carl XVI Gustaf of Sweden, another avid sailor who stepped in to help when the Swedish challenge fell short of a required Cup bond payment in September.

Politics? The Cup has had its share, but now comes a partisan twist: Jacques Chirac, mayor of Paris, has finagled $9 million in public funds to revive a flagging French entry that will be renamed, suitably, Ville de Paris.

So war, pestilence and disease be damned. The America's Cup is rising up shining, complete with pricey new boats whose masts alone cost $600,000.

Up to eight contenders could be on hand for the America's Cup Class World Championships this May, with more to follow before Cup trials begin Jan. 10, 1992. U.S. defenders, outnumbered 12 to 2 by challenger hordes, will have their hands full hanging onto the prize when the best-of-seven Cup final rolls around in May 1992.

First, a look at the defense groups:

● Stars & Stripes: Cupholder Conner has taken his case to corporate America with limited success. After two years, he's landed three major sponsors — Cadillac, Pepsi and American Airlines, at $3 million each.

If that sounds substantial, it's just one-third the cost of a fully funded Cup effort and a fifth or less of his best-heeled rival's budget.

Conner has a boat under construction in Bristol, Rhode Island, due for delivery in April, and hopes to build one or two more before racing begins.

● America 3: On the flip side of the fiscal fence is industrialist Bill Koch, who caught the Cup bug after his 84-footer, Matador 2, burst on the scene last year to take top honors in the hotly contested maxiboat class, playground of multimillionaires.

Koch's Matador design team spent years analyzing hull shapes, keel shapes and other variables to come up with a breakthrough design, and he believes the technology is transferable to the much lighter, slightly smaller Cup boats.

Maybe so, but his biggest strength, Cup followers agree, is a nearly unlimited budget backed by his personal fortune. He's already corralled a team of top designers and bought the French challenge's first boat and renamed it US 2. He and crew began training on it off San Diego in January.

Whatever America 3 needs, it gets. As Koch sat at the dock before a recent outing, he chatted with a continental-looking fellow. A visitor asked a crewman who the boss was talking to. "That's our wine consultant," said the crewman with a facetious chuckle. "Doesn't every team need one?"

Koch also has a boat under construction in Rhode Island, due for delivery by April, and will build two more before racing begins. But he'll enter the ex-French boat in the Worlds in May, "so we can measure what everyone else has without showing what we have."

That is the American side. But never has the United States faced so worrisome an array, with three serious challengers: New Zealand, with superstar designer Bruce Farr apparently in harness and a battle-scarred crew of Cup and Whitbread 'Round-the-World racers; Italy, with a $40 million to $50 million budget and a hired-gun helmsman; and the Japanese, newcomers to the game.

The details:

● New Zealand: Fay's lads have taken up residence across the bay from San Diego, with two Farr-designed boats in hand, another en route and plans to build one or two more. Skipper is David Barnes, backup helmsman for Fay's near-miss 1986-'87 Cup campaign in Australia and skipper of the 132-footer in the '88 debacle here.

New Zealand has no corporate sponsor yet, but the new boats are painted fire-engine red, the same color as 1990 Whitbread Race winner Steinlager II, leading to speculation the beer company will soon come aboard for a Cup ride. Barnes says only that sponsorship is eagerly sought.

● Italy: Billionaire Raul Gardini's expansive Il Moro de Venezia campaign features the grandest shoreside facilities here — a 4.3-acre (10.5-hectare) complex near the San Diego Yacht Club that's been razed and rebuilt to his elegant specifications. Conner calls it "the Taj Mahal."

Previous Italian entries brought style to the Cup, then fell short on performance. Gardini's effort evidently brings substance, as well. He hired U.S. superstar Paul Cayard as skipper two years ago; Cayard now has lived in Venice long enough to meet Cup residency requirements and will sail as an Italian.

● Japan: The Nippon Challenge's flock of 30 major corporate sponsors puts it in the financial black for the foreseeable future, and the Japanese have had more training time in Cup class boats than anyone. They are due here with two boats in February.

Japan never has sailed for the Cup before, so Nippon scored an early coup by hiring New Zealander Chris Dickson as skipper. He shocked the world by manhandling all opposition except Conner as Fay's skipper in Australia four years ago, when he was just 25. Dickson brought a handful of New Zealand compatriots to Japan with him; all have fulfilled residency requirements and could sail for Japan in the Cup.

Nippon has another boat under construction and a fourth likely before racing begins.

● Australia: With Cup stalwart Alan Bond's businesses in deep financial trouble, 1987 Cup defender Iain Murray has turned to a "people's challenge," seeking individual donations from the public. It is predictably underfinanced. A one-boat, late-arriving campaign seems likely, with veteran helmsman Peter (Crash) Gilmour at the wheel.

Also, three-time Cup contender Syd Fischer represents Royal Sydney Yacht Squadron in a second modest Australian effort, with '87 Cup skipper Colin Beashel at the helm.

● Spain: The maiden Spanish entry got off to a rocky start when the bottom of the keel fell off its new boat in December. Still, with another boat in the works, the king's strong support and Spain's interest in promoting the 500-year anniversary of Columbus's voyage to America during the regatta, Spanish involvement should prove interesting.

● France: Designer Philippe Briand's first effort proved faster than either of the two Italian boats in brief trials in the Mediterranean, but Thursday, skipper Marc Pajot pulled out of the syndicate.

● Soviet Union: Leningrad's Red Star Syndicate is battling U.S. Navy and Coast Guard officials, who insist the Soviets base their operations in neighboring Mission Bay rather than San Diego Bay for security reasons, San Diego being a major Navy port.

The Soviets want to be with everyone else in this, their first try at capitalism's gaudiest contest. They've built an aluminum Cup-class boat, which unfortunately is not allowed under Cup rules, and will fly it here for training in March while a carbon-fiber replacement hull is built back home.

● Yugoslavia: The Yugoslavs have finished a wooden boat, of all things, which interestingly enough qualifies to race under Cup rules. They too, intend to build a second-generation carbon-fiber boat, but are underfinanced and are scratching to bring their first Cup showing to fruition.

● Britain: Veteran Cup competitor Peter de Savary has a deck under construction but no hull in the works yet, and could come up with a one-boat effort if finances appear.

● Sweden: With the king's prodding, several Swedish corporations are said to be weighing contributions to bring the Stenungsbarden Yacht Club's challenge up to budget. Negotiations reportedly are under way to buy one of the three existing New Zealand boats as a trial horse.

Which completes the picture. It's the broadest field of international competitors ever assembled for a Cup campaign, proving that even in these hard, harsh times, the Cup still attracts the world, like bugs to a white-hot flame.

SIDELINES

Lewis and Johnson May Race in Zurich

ZURICH (Reuters) — Ben Johnson and Carl Lewis may meet in the Zurich Grand Prix track meet on Aug. 7, promoter Res Bruegger said Thursday.

Bruegger said he planned to invite Johnson and had also talked to Lewis's manager, Joe Douglas.

Johnson tested positive for steroids after winning the 100-meter final at the 1988 Olympics, edging Lewis. He was stripped of the gold medal and banned for two years, returning in January for a series of indoor meetings.

Zurich could be the first race between Lewis and Johnson since Seoul if negotiations for a race in Seville on May 30 break down.

Westhead Sues Gathers's Attorney

PHILADELPHIA (AP) — Paul Westhead, coach of the NBA's Denver Nuggets, Thursday filed a $1 million defamation suit against an attorney for the family of Hank Gathers, who died while playing for Westhead last year at Loyola Marymount.

The lawsuit, filed against Bruce G. Fagel in Philadelphia Common Pleas Court, claims Fagel has publicly made false allegations about Westhead's connection to Gathers' death, including "that if it were not for Paul Westhead, Hank Gathers would be alive today."

Fagel represents the Gathers family in a $32.5 million wrongful-death lawsuit pending in Superior Court in Los Angeles. That lawsuit names Westhead among 14 defendants.

● Philadelphia forward Charles Barkley, saying he is still bothered by pain in his left ankle, does not expect to return to action until after the All-Star Game. Barkley suffered a sprained ankle and stress fracture on Jan. 11. He is scheduled to start in the All-Star Game on Feb. 10. *(UPI)*

Japan to Skip Soccer Tournament

TOKYO (AP) — Japan has withdrawn from the Merdeka Tournament in Kuala Lumpur next month because of terrorism risks stemming from the Gulf war, the Japan Soccer Association said Thursday.

"It isn't appropriate for Japan to send its team at that time because there is danger following the outbreak of the Gulf war," said Tomio Takano of the association.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division	W	L	Pct	GB
Boston	32	11	.744	—
Philadelphia	23	19	.548	8½
New York	19	24	.442	13
Washington	19	24	.442	13
New Jersey	14	29	.326	18
Miami	11	33	.250	21½
Central Division				
Detroit	32	13	.711	—
Chicago	29	12	.707	1
Milwaukee	27	18	.600	5
Atlanta	24	19	.558	7
Indiana	18	24	.429	12½
Cleveland	14	29	.326	17
Charlotte	13	29	.310	17½

WESTERN CONFERENCE

Midwest Division	W	L	Pct	GB
San Antonio	30	11	.732	—
Utah	28	15	.651	3
Houston	23	20	.535	8
Dallas	15	26	.366	15
Minnesota	14	27	.341	16
Denver	12	30	.286	18½
Orlando	11	32	.250	20½
Pacific Division				
Portland	37	7	.841	—
L.A. Lakers	31	11	.738	5
Phoenix	28	14	.667	8
Golden State	24	17	.585	11½
Seattle	19	22	.463	16½
L.A. Clippers	15	28	.349	21½
Sacramento	12	29	.293	23½

WEDNESDAY'S RESULTS

Cleveland 98 23 37 26—84
Detroit 23 17 21 22—93
Dougherty 9-14 5-8 23, Nance 9-19 2-3 20; Dumars 11-22 5-6 27, Johnson 6-8 0-0 12, Long 2-6 5-8 12. Rebounds: Cleveland 47 (Daugherty 11), Detroit 46 (Rodman 16). Assists: Cleveland 18 (Valentine 8), Detroit 18 (Dumars 7).
Orlando 22 13 27 29—102
Boston 27 21 42 48—144
Vincent 8-17 3-4 23, Turner 8-13 0-0 16; Shaw 11-16 4-4 26, Gamble 9-13 5-6 23, M. Smith 11-16 0-2 22. Rebounds: Orlando 57 (Kite 12), Boston 62 (Pinckney 12). Assists: Orlando 21 (Scott, Vincent 4), Boston 38 (Shaw 13).
Charlotte 24 26 30 25—105
Indiana 40 27 26 30—123
Curry 12-17 1-1 26, Gill 11-17 4-6 26; Miller 8-13 6-7 22, Person 9-16 1-2 20. Rebounds: Charlotte 48 (Geninski 11), Indiana 50 (Dreiling 11). Assists: Charlotte 22 (Bogues 13), Indiana 34 (Miller 11).
Phoenix 31 27 31 26—115
Miami 28 15 30 31—104
Majerle 9-14 2-5 22, Chambers 9-17 3-6 21; Rice 9-17 5-5 23, Douglas 8-14 4-6 21. Rebounds: Phoenix 61 (Chambers 8), Miami 61 (Thompson 15). Assists: Phoenix 26 (Johnson 11), Miami 23 (Douglas 8).
Sacramento 14 28 21 23—86
Minnesota 16 28 24 27—95
Corr 10-18 5-5 25, Mays 4-11 6-7 15; Corbin 10-19 7-9 27, Mitchell 7-19 3-3 17. Rebounds: Sacramento 43 (Simmons 8), Minnesota 48 (Corbin, Mitchell 7). Assists: Sacramento 26 (Sparrow 8), Minnesota 30 (Richardson 14).

European Basketball

EUROPEAN CUP WINNERS' CUP
Quarterfinal group series
Kingston 81, Barcelona 88

Major College Scores

EAST
Drexel 75, Md.-Baltimore County 63
Georgetown 59, St. John's 53
Lehigh 83, Bucknell 75
Maine 88, Boston U. 81
Marist 61, Hartford 60
St. Francis, NY 86, Morgan St. 83
Towson St. 88, Delaware 84, OT
Villanova 75, Pittsburgh 72
SOUTH
Alabama 83, Tennessee 74
Coll. of Charleston 60, Charleston Southern 58
Duke 77, Georgia Tech 75
E. Tennessee St. 105, Memphis St. 102, OT
East Carolina 64, Liberty 49
Georgia 117, Mississippi 62
James Madison 79, Old Dominion 75
Middle Tenn. St. 81, S. Carolina St. 63
Mississippi St. 82, LSU 79
Morehead St. 84, Miss. Valley St. 81
New Orleans 83, NE Illinois 51
Southern Miss. 97, SW Louisiana 91
Vanderbilt 66, Florida 57
Virginia Tech 86, Louisville 79
W. Carolina 83, Tennessee Tech 78
W. Kentucky 83, E. Kentucky 74
MIDWEST
Bowling Green 78, Ball St. 62
Cincinnati 69, Xavier, Ohio 56
Indiana 73, Wisconsin 57
Indiana St. 71, Drake 55
Iowa St. 82, Oklahoma 79
Kent St. 81, E. Michigan 74
Miami, Ohio 78, Cent. Michigan 74
Nebraska 89, Missouri 75
Ohio U. 72, W. Michigan 58
SOUTHWEST
Arkansas 104, Ala.-Birmingham 72
Rice 102, Baylor 96
Texas 96, Southern Meth. 88
Texas Christian 72, Texas Tech 66
FAR WEST
Oklahoma St. 76, Colorado 66
S. Utah 124, Chicago St. 81
Southern Cal 74, UCLA 74

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts	GF	GA
N.Y. Rangers	27	18	8	62	191	164
Pittsburgh	28	21	3	59	224	191
Philadelphia	26	22	6	58	182	170
New Jersey	22	27	10	54	194	220
Washington	23	27	3	49	167	178
N.Y. Islanders	18	27	6	42	148	182
Adams Division						
Boston	29	16	8	66	191	147
Montreal	29	19	5	63	181	157
Buffalo	21	28	10	52	182	174
Hartford	22	24	5	49	148	175
Quebec	10	33	9	29	147	223
CAMPBELL CONFERENCE						
Norris Division						
Chicago	34	13	4	72	177	134
St. Louis	29	16	7	65	199	157
Detroit	22	26	5	49	176	197
Minnesota	16	30	9	41	163	188
Toronto	13	33	5	31	147	212
Smythe Division						
Los Angeles	28	18	5	61	206	165
Calgary	27	20	5	59	213	170
Edmonton	25	22	3	53	174	161
Winnipeg	18	29	8	44	179	195
Vancouver	19	30	4	42	166	204

WEDNESDAY'S RESULTS

Winnipeg 1 2 1—4
Montreal 5 1 2—8
Ashton (7), Olausson (12), Elynuik (21), Steen (8); McPhee (18), Richer (20), Corson (12), Courtnall (18), Carbonneau (12), Labeau (18), Turgeon 2 (4). Shots on goal: Winnipeg (on Racicot) 13-12-13—38. Montreal (on Tobarocci, Essensa) 12-11-10—33.
Detroit 0 2 0—2
Minnesota 0 4 1—5
Yzerman 2 (36); Broten (12), Bellows 2 (19), Sinisalo (5), Ducheene (7). Shots on goal: Detroit (on Casey) 10-10-14—34. Minnesota (on Chevrier) 12-12-7—31.
N.Y. Rangers 0 0 1—1
Calgary 2 3 0—5
Gartner (26); Johansson (4), T. Hunter (2), Gilmour (12), Matteau (10), Fleury (23). Shots on goal: New York (on Vernon) 8-13-8—29. Calgary (on Vanbiesbrouck) 6-7-6—19.
Vancouver 3 1 0—4
Edmonton 2 4 3—9
Kurvers (2), Butcher (6), Adams (14), Mazur (7); Buchberger (2), Klima 3 (19), Murphy (18), Anderson (16), Messier (8), Simpson (20), Graves (2). Shots on goal: Vancouver (on Ranford) 11-7-9—27. Edmonton (on McLean, Gamble) 7-10-15—32.
New Jersey 2 1 1—4
Los Angeles 1 1 0—2
Sundstrom (10), Norwood (6), Stastny (15), O'Connor (3); Sandstrom (22), Blake (5). Shots on goal: New Jersey (on Berthiaume) 9-6-6—21. Los Angeles (on Terreri) 9-17-6—34.

SOCCER

ENGLISH FA CUP
Fourth Round Replays
Brighton 2, Liverpool 3 (OT)
Leeds 1, Arsenal 1 (OT)
Sheffield Wednesday 2, Millwall 0
West Ham 5, Luton 0
FRENCH FIRST DIVISION
Lyon 2, Nantes 0
Nancy 2, Sochaux 0
SPANISH FIRST DIVISION
Logrones 2, Osasuna 0

CRICKET

FIRST TEST
New Zealand vs. Sri Lanka, First Day
Thursday, in Wellington, New Zealand
New Zealand 1st innings: 174 all out
Sri Lanka 1st innings: 41-2 (at close of play)

TRANSACTIONS

BASEBALL
American League
KANSAS CITY—Agreed to terms with Jeff Montgomery, pitcher, and Bill Pecota, third baseman, on one-year contracts.
TORONTO—Agreed to terms with David Wells, pitcher, on one-year contract.
National League
ATLANTA—Agreed to terms with Andres Thomas, shortstop, on one-year contract, and Delon Sanders, outfielder, on minor-league contract.
L.A. DODGERS—Agreed to terms with Tim Crews, pitcher, Jeff Hamilton, third baseman, and Stan Javier, outfielder, on one-year contracts.
N.Y. METS—Agreed to terms with Anthony Young, pitcher, and Kevin Baez, infielder, on one-year contracts.
PHILADELPHIA—Agreed to terms with Terry Mulholland, pitcher, on one-year contract.
BASKETBALL
National Basketball Association
CHARLOTTE—Acquired Eric Leckner, center, from Sacramento for 1995 second-round draft pick and future considerations.
INDIANA—Activated Vern Fleming, guard, from injured list. Waived Byron Dinkins, guard.

Marseille Players Call Off Strike

Agence France-Presse

MARSEILLE — Olympique Marseille owner Bernard Tapie on Thursday persuaded his players not to go on strike and to instead play their match Friday with Bordeaux.

The players, who also threatened to skip France's European Championship qualifier with Spain next month, had said they would strike to support Tapie, who Monday was sanctioned for intimidating referees.

"I appreciated their support but told them the best thing for the club and their own careers was to go out and do what they are best at," said Tapie. "That is play football."

Tapie's reaction to being banned for a year was to threaten to quit, but he reportedly has reconsidered since talking to France's national coach, Michel Platini, and others.

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(Continued From Back Page)

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OBSERVER

Slyly Co-Opting Media

By Russell Baker

NEW YORK — Here's good news for the military. It is called "Surviving Media" and is the latest book by Dr. Harold J. Liverworth, world's foremost authority.

At present I can say little, for it is not yet in bookshops, and may never be if the Pentagon, where it is now being studied at the highest levels, decides to classify it secret.

This would not be surprising. Why let Saddam Hussein stroll into a bookstore and for a mere $24.95 buy access to the Pentagon's secrets for defeating the media?

I can, however, reveal that the jacket illustration on Liverworth's book is a reproduction of Frederic Remington's famous painting "Holding the Pack at Bay."

This shows General George Custer's official spokesperson standing undaunted before hundreds of angry media representatives just after he has refused to provide horses to get them to the Little Big Horn before the battle ends.

□

As this suggests, and as Liverworth writes in the dust-jacket copy, "Surviving Media" is "the indispensable survival guide for military brass, briefers and flacks who hope to escape media encounters intact."

The jacket's blurbs, which Liverworth also wrote, as he does for all his books, promise an unforgettable reading experience. "Profoundly liberating," says one.

Another: "powerful and evocative . . . a masterly depiction." And another: "Rich in the foibles and triumphs of the human spirit."

Faithful Liverworth fans may notice these are the same blurbs that appeared on the jackets of his last two best sellers, "The Coming Breakthrough in Chintz" and "How to Travel With a Cat."

I slyly suggested that maybe he had stayed with out-of-date blurbs because he lacked time to write new ones, what with keeping up his nationally syndicated medical column ("Aches and Pains"), maintaining his prize-winning television show ("Ask Dr. Liverworth") and writing three best-selling books per year.

□

"As a foremost authority on diction," he replied, "I wish you had not slyly suggested the content of that graceless sentence. Saying 'slyly suggested' gives your sentence a sophomoric quality. The trouble results from your lazy choice of the weak verb 'suggested.' Because it is weak, it tempts you to use the strengthening adverb 'slyly.' Instead of saying you 'slyly suggested,' you should have chosen a forceful verb embodying a sense of slyness. Thus you would have eliminated the need for an adverb. In short, you should have said 'I insinuated.'"

Having to listen to such lectures is one burden of interviewing the doctor.

Afterward, though, he always apologizes, explaining that the incessant toil of churning out columns, best sellers and television shows leaves him so drained of froth that he falls inexorably into fussiness.

□

I accepted his apology, hoping that geniality might loosen his tongue about some of the juicier passages in "Surviving Media."

I'd heard talk in the publishing world about a devastating new policy called "Co-opt, Don't Confront," which Liverworth was proposing for getting war reporters happily sedated.

Surprisingly, he was happy to leak about this.

His plan, he said, was to give media people uniforms. Get them feeling more military. Make them officers. Ex officio, of course.

Plenty of brass and braid, though. Nobody lower than colonel. For television anchors, plenty of stars: admirals, generals, maybe even lots of chest ribbons for successful ratings.

Pretty soon they'd feel like big-time insiders. Might clam up tighter than Pentagon briefing officers.

As a member of the press, I was insulted at Liverworth's proposal. "So you think we can be so easily co-opted, eh, Mr. Foremost Authority?" I cried.

"I merely propose," he said, "that admirals and generals do to military reporters what presidents, congressmen, bureaucrats, lawyers and miscellaneous politicians have done for years to the rest of the Washington press with remarkable success. The trick the Pentagon must learn has been known forever by everybody else in government: Co-opt, don't confront."

New York Times Service

Redressing Lech Walesa's Image

By Mary Battiata
Washington Post Service

WARSAW — What becomes a legend most? A Polish legend, that is, prone to rumpled suits, a cowlick and the physique of a fire hydrant?

Warsaw fashion designers have been grappling with that question since last month when Lech Walesa, the electrician turned conqueror of Communism, let it be known that he was shopping for a sharper image.

"His advisers wanted to know if we could dress the candidate,"

'He had only one condition — no red. He's allergic to red.'

said Krysdyna Wasylkowska, the leading menswear designer at the state-owned fashion house, Moda Polska. "I think it was the first time in Polish history that this thing happened — a politician turned to a professional for advice on his image."

Walesa, soon to be president, had few demands.

"He didn't want to see drawings or even samples. He had only one condition — no red," Wasylkowska said. "He's allergic to red."

Moda Polska once did a lot of red. The house was founded by the Polish Communist government in the 1950s. It was to be the socialist answer to Dior and Balmain. The idea was to provide high style, at low cost, to the working man.

But the best ready-to-wear designs inevitably were rejected by the party bureaucrats who decided what designs would be made. In the end, Moda Polska's top designers spent a lot of time dressing the top Polish Communists and their wives, including the party matron whose chauffeured car always dropped her off a block from the salon, so she could pretend to have arrived on the cross-town bus.

Moda Polska never won much attention outside Poland, and even in country, the reception among non-Communists often has been cool. "Moda Polska, all they ever did was copycat what they saw from the West," sniffs artist and costume maker Aleksandra Laski, one of Warsaw's new crop of private image consultants.

For Moda Polska, the Walesa commission was a brief bright spot in a general atmosphere of anxiety and gloom. In addition to crushing debt (from a desperation purchase of European fabric last year) and confusion over how or even whether the company will be sold into private ownership, Moda Polska now faces daunting competition.

All over free-market Poland, the blooming of sidewalk markets and boutiques has rekindled a dormant interest in clothes and appearance. Women whose fashion lives had been spent at the Moda Polska outlet choosing between dingy Dress A and drab Dress B now watch "Dynasty" and glossy German daytime soaps on their satellite dishes. They window-shop until they drop, then parcel out wads of carefully counted zlotys to buy Turkish silk scarves, Italian blue jeans, French berets and fake but fashionable "Giorgio Ariani" shoes.

"The change is tremendous — our incomes are falling, but the general appearance has vastly improved," said Laski.

Even the slate-colored ranks of the Polish male have been infiltrated by flashy entrepreneurs in shiny sharkskin suits, silk socks and the odd pair of patent leather wingtips. Not everyone's ideal, perhaps, but a start toward beating back the male notion "that if a man takes care of his looks, he must be a narcissist," Laski said.

So how to spruce up the icon without losing the man?

Moda Polska's Wasylkowska sketched and smudged and re-sketched, rushing to be ready by election day. "His shape is not ideal, so I was scared, but my opinion is that you can dress any person with any kind of silhouette," she said. "It's a challenge I understand, because I am small and round too."

She stitched up four outfits — two double-breasted wool suits, then two sport jackets, one in brown tweed, the other in gray flannel. Finally, a Chesterfield coat in buttery khaki-colored Italian wool, a few neckties, some shirts, and a color chart for the bedroom wall, to help him figure out what matches what.

The Associated Press

Lech Walesa on the campaign trail last year; Polish designer Krysdyna Wasylkowska, who is trying to spruce up his image.

Someone was satisfied, because the Walesa order was followed by clothing orders from two of his top aides, who had grown unhappy with their own suits once they'd seen the president's new clothes.

But on inauguration day last month, Wasylkowska was disappointed to see Walesa pledge his allegiance in a ready-to-wear Italian suit.

"The lapels were too wid[illegible] his proportions, the sleeves were too wide. I saw all the flaws," Wasylkowska said this past week, sipping a coffee at the downtown Moda Polska salon.

"I don't think he likes the coat — I've never seen him in it," she said. "But I heard that he fell in love with the gray flannel jacket."

PEOPLE

Top 40 Patriotism

Robert Goulet forgot the words; **Roseanne Barr** should have. But **Whitney Houston**'s rousing Super Bowl version of "The Star-Spangled Banner" could turn the notoriously difficult national anthem into a Top 40 smash. "The calls have come in from all over the country. Radio stations have called in, the public has called in. The switchboard here was jammed for two days," said Arista Records president **Clive Davis**. Houston's version, riding the patriotic fervor of a nation at war, has been released to hundreds of radio stations around the country. It may also be released to the public as a single, with a portion of the profits going to charity, Davis said. Goulet, singing before the **Muhammad Ali-Sonny Liston** title fight in 1965, got as far as "Oh, say can you see . . . " before blanking out. He hummed the rest of the tune. And Barr — well, **President Bush** summed up her screeching July 25, 1990, version of the anthem before a San Diego Padres game: "Disgusting." Not everyone has botched the anthem: Jose Feliciano's Latin-tinged version at the 1968 World Series became an instant classic and trumpeter **Wynton Marsalis** has received a great deal of praise for his solo anthem. And then there's the case of Irish singer **Sinead O'Connor**, who got in trouble for not letting the Garden State Arts Center in New Jersey play "The Star-Spangled Banner" before her show there last year. And that was six months before the war began.

□

The Emmy award winning actor **Woody Harrelson** of "Cheers" was dumped as grand marshal of one of the largest Carnival parades in New Orleans because he took part in a peace rally. Harrelson, who plays the bartender Woody Boyd on the NBC series, was to head the Endymion parade Feb. 9 — the weekend before Mardi Gras. Harrelson's ouster came after TV news reports showed the actor applauding peace activist **Ron Kovic** during a rally in California.

□

A party to be given by **Baroness Philippine de Rothschild** in New York on Feb. 11 has been canceled because she is uncomfortable about traveling from her home in Paris during the Gulf war. The dinner party at the Roxy, at $500 a ticket, was to have been followed by an auction to benefit the Keith Haring Foundation, which supports AIDS programs and education programs for poor youngsters.

□

The **Duke** and **Duchess of Westminster** are celebrating the birth of a son, **Hugh Richard Louis**, born on Tuesday at St. Mary's Hospital in London. The duke, reported to be Britain's richest man, and the duchess have two daughters, **Tamara** and **Edwina**, but Hugh's birth insures the succession of the line.

□

The conductor **Zubin Mehta**, who traveled to Israel when the Gulf war began, is planning to return for a concert next month. "Hopefully by then we can do the concerts. At the moment, no public assembly is allowed. Everybody is hungry for music," he said at a New York Philharmonic luncheon honoring him. Mehta is leaving at the end of this season after 13 years as the New York orchestra's music director.

□

Prince Charles and his wife **Diana** have postponed their six-day visit to India next week because of the Gulf war, Buckingham Palace said. They were to have left Feb. 8.

□

The singer **Willie Nelson** made another dent in his $16.7 million tax bill when U. S. tax authorities auctioned off his Colorado mountain estate. The winning bid: $650,000. His ranch at Dripping Springs, Texas, was sold the day before. Meanwhile Nelson has embarked on a new satellite TV venture, "The Outlaw Music Channel," in which he'll be a host and maybe sell a new album that on Wednesday he jokingly called "The IRS Tapes." He said the Internal Revenue Service gave him permission to put out the album — actually called "Who'll Buy My Memories."

□

Geraldo Rivera's television talk show will be dubbed in Russian and aired daily in the Soviet Union. Broadcast of "Geraldo" will begin March 1 in Moscow and other large cities, the first American program to be scheduled on a daily basis by Soviet television, Tribune Entertainment Co. said in Chicago. It said "Geraldo" would be advertiser-supported in the Soviet Union.

TODAY'S REAL ESTATE MARKETPLACE
Appears on page 5

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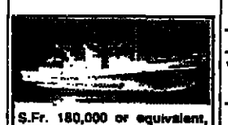

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